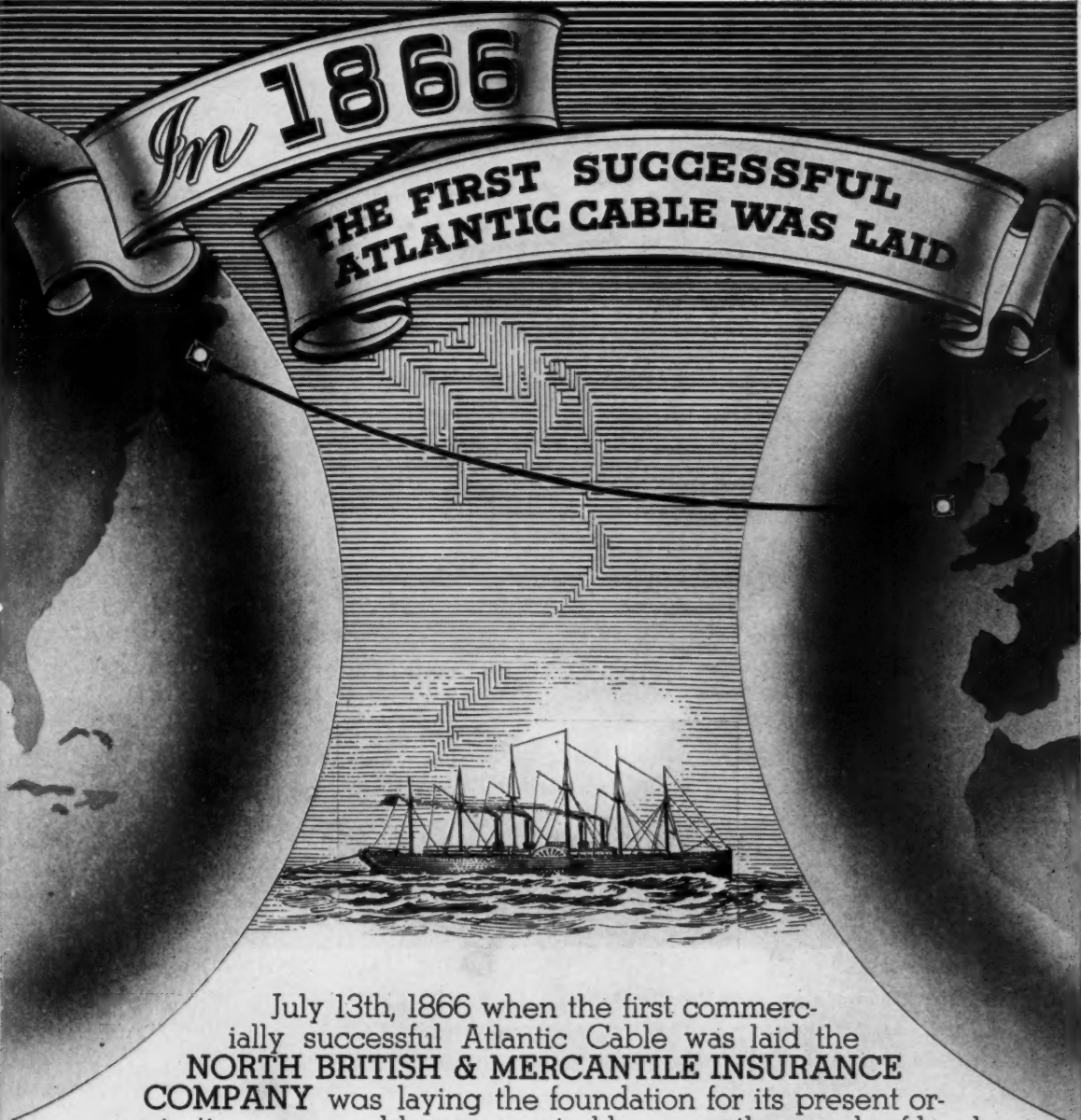


The **NATIONAL UNDERWRITER**




July 13th, 1866 when the first commercially successful Atlantic Cable was laid the **NORTH BRITISH & MERCANTILE INSURANCE COMPANY** was laying the foundation for its present organization, now so ably represented by many thousands of loyal agents all over the country.

The service of these agents spans the continent affording to commerce, industry and the home sound insurance protection against loss by fire, automobile, windstorm and all kindred hazards.

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THURSDAY, JULY 6, 1939

MEN WITH DREAMS

In San Francisco a bent old man punches a leering time clock with vague defiance and shuffles out into the night, homeward-bound . . .

In Chicago a youthful shoe store clerk flips off the lights and hastily tests the night lock, cursing the long hours that keep him from his family . . .

A siren screeches in Detroit and half a million men in dungarees hasten toward the exits, counting the hours until the morrow's work begins . . .

These men are men with dreams, brothers to millions. They seek not riches, fame or glory — but deep within each heart there burns a silent prayer for freedom, independence and the right to strive, unbossed, for shelter, food and clothing.

Local agents of America, they envy you, these men with dreams, because they know your freedom. They know you have no clocks to punch, no boss except your own ambition. They know that dull routine can never beat you down because your job is ever-different, ever-challenging, reaching out to all the people and all events in your community. They know that few men in any business have the power you have to shape the pattern of your lives.

★

You have a great calling, you who represent the American Agency System. You are your own bosses. Your initiative never need be throttled by unwanted masters. Your work enriches your community

as well as your own purse. You can meet people at your will. You can come and go as you please and make time serve you rather than be its serf.

★

All these things, surely, are worth prizing, worth working for, worth trying to improve. Here is a heritage few fathers can bequeath their sons and their sons' sons. Here is America as our fathers dreamed it might be—a nation of free men, each serving his neighbors with the knowledge and skills of an honest guild.

Certainly your freedom and your independence are worth working for!

But let them once be tainted by the sharp practices of unfair trade and time inevitably will prove the fullness of your bondage. The very

things you treasure in your work will vanish.

Worth trying to improve? Yes, for no man and no business can stand still. There can be only progress — or the slow decay that leads to failure. Education. Work. Service. These spell Progress!

★

Unnumbered men with dreams, trapped by the circumstance of dull labor, envy you today, envy your freedom, your independence, your opportunities. You, who have no cause to dream for what is yours already, have double cause to work with pride to build a stronger, better American Agency System.

You, too, may well be men with dreams!



THE LONDON ASSURANCE GROUP

★

THE LONDON ASSURANCE

THE MANHATTAN FIRE AND MARINE

THE UNION FIRE, ACCIDENT AND GENERAL

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99 John Street, New York, N. Y.



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Alert Agents will do well to aggressively push the sale of North America's new "All-in-One" Travel Policy, designed to appeal particularly to those visiting either or both Fairs. It offers protection against four common hazards . . . in one policy, at one premium.

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Write practically every form of insurance, except life.

Founded 1792

Capital \$12,000,000

Surplus to Policyholders Over \$73,000,000



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When away from home
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The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
The Concordia Fire Insurance Co. of Milwaukee
Milwaukee Mechanics' Insurance Company
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The Metropolitan Casualty Insurance Co. of N. Y.
Commercial Casualty Insurance Company

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Canadian Dept.
461 Bay St.
Toronto, Canada

HOME OFFICE
10 PARK PLACE
NEWARK, NEW JERSEY

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
San Francisco, Calif.

BANISH WORRY—SELL "ALL RISKS" PROTECTION

The NATIONAL UNDERWRITER

Forty-third Year—No. 27

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JULY 6, 1939

\$4.00 Per Year, 20 Cents a Copy

Educational Work Being Conducted by Stock Companies

Business Development Office Seeks to Strengthen Service of Agents

NEW YORK—Not a few agents apparently labor under the mistaken impression that the Business Development Office was created, and is being conducted for the sole purpose of enabling stock company representatives to successfully meet the competition of non-stock organizations. That idea is measurably justified through the fact that thus far the major part of the material issued by the B. D. O., since its formation in March, 1936, has been devoted to analyzing the standing and record of different mutual fire companies.

Urge Better Agency Service

While those responsible for the creation of the B. D. O., both companies and agents, were not unmindful of the growing aggression of their non-stock competitors and intended means for meeting it, the larger purpose of the organization was to train agents everywhere to render the degree of service to clients and prospective clients to which they are entitled, but which in too many cases they do not receive. It was further appreciated that a campaign of education was necessary insofar as property-owners are concerned and the effort will be put forth to inform the latter as well as the agents of the quality and extent of indemnity afforded by stock fire companies.

A close survey of the field has evidenced that while some agency offices are geared to handle intelligently the requirements of large property lines, others are limited in their equipment to cover only small mercantile and residential risks, being swamped when called upon occasionally to supply the right kind of coverage for a large manufacturing establishment. The result of this lack of complete equipment is in many cases that the assured is improperly served and the institution of insurance is held responsible.

Both Have Functions

The large service agency and the one dealing almost exclusively with residence properties each has its particular place in the sun, and works creditably until it encroaches on the special field of the other. As it is the duty of the local agent to post himself so as to enable the complete and intelligent handling of all risks that may be secured, regardless of size, so it is equally incumbent on the property-owner to select as his insurance representative one competent to take care of his business, instead of giving the line to an impecunious relative to whose

(CONTINUED ON PAGE 22)

Insurance Probe in Illinois Authorized

Legislature, However, Cuts Out \$1,000 Appropriation— Few Bills Passed

Authorization to investigate the insurance business in Illinois through a legislative commission was given by the legislature just before adjournment, but provision for a \$1,000 appropriation to conduct the inquiry was stricken from the bill. The measure now awaits Governor Horner's signature. Insurance men, who had been much exercised about the broad latitude of the bill, which empowered the investigating of insurance rates, which it was felt could be construed to include any aspect of insurance, found consolation in the lack of appropriation, and were less concerned this week.

Appointment of five senators and five representatives to create the joint legislative commission to study legislative needs of the insurance business in Illinois is being awaited.

Product of Recent Inquiry

The Illinois house adopted the measure last Saturday just prior to adjournment. This bill was introduced in the senate recently by members of the Searcy committee which spent several weeks studying the insurance business in Illinois and particularly charges that the Chicago Board had been making rebates to favored firms.

The Searcy committee last week filed a report with the senate outlining six points for the joint commission to study for the next two years:

Points to Be Studied

1. The multiplicity of insurance organizations.
2. The possibility that there are some discriminatory fire rates promulgated both in Cook county and downstate Illinois.
3. The study of insurance rate making organizations under laws of other states such as New York, Massachusetts, Pennsylvania, Ohio and Texas, where fire insurance rates are promulgated by a state bureau.
4. The question of scientific and non-discriminatory rates.
5. The problems relating to householders' personal property floaters policies raise the question whether it would not be advisable to bring all marine insurance within the rate making provisions of the statute.
6. The problems of rate discrimination caused by dividends paid by some fire insurance companies to policyholders.

Signing the report were: Senators Earl B. Searcy, Republican, Springfield; William Connors, Democrat, Chicago; Louis J. Menges, Democrat, East St. Louis; Thomas E. Keane, Democrat, Chicago; and A. P. Benson, Republican, Batavia.

Other Measures Are Killed

Several insurance measures that had awakened unusual interest died on the house calendar. These included a bill to place hospitalization associations under provisions of the insurance code;

Paramount Fire Is in Active Operation

Reinsurance Agreement with the Home Has Been Approved

NEW YORK—The reinsurance agreement between the new Paramount Fire, which was organized by interests connected with the Mortgage Bankers Association and the Home of New York, whereby the latter will reinsure all the liability of the former, having been officially ratified is of particular moment because at the mid-year meeting of the National Association of Insurance Agents the deal was condemned as being dangerous and subversive to local agency interests.

Owen M. Murray of Dallas, head of the Murray Insurance Agency and the Murray Investment Company, who is chairman of the board, states that all the stock has been sold chiefly to agents who will represent the company. It has been licensed in New York. The company issued a statement saying that the treaty of reinsurance with the Home has been executed. It provides that the Paramount at its option shall have and expects to exercise the right to retain a portion of its net premium writings.

Will Reinsure 100 Percent Now

The statement says: "For the present the Paramount will be reinsured 100 percent. This is prompted by a policy of conservatism in order that its premium writings may be determined and the

(CONTINUED ON PAGE 22)

another requiring all but fraternal to file dividend payment records and details with the state department of insurance and giving the director more power to regulate and control them; a bill providing for full payment of policies held on destroyed or damaged property even if insured to excess; a measure revising and clarifying the agents, brokers and company service representatives licensing law, eliminating 90 day temporary licenses and also solicitors licenses; another bill which would have prevented casualty companies from making agreements among themselves as to rates and commissions for agents and brokers.

Bills pertaining to insurance passed and awaiting signature of Governor Horner are those permitting domestic companies to invest in foundation bonds of the University of Illinois, and permitting cities and towns to tax or license foreign fire insurance companies for the benefit of their fire departments.

Department Bill Chopped Up

The qualification bill, drafted and recommended by the department, was chopped to pieces by a multitude of amendments and its sponsors are said to be relieved that it was not passed as amended. One amendment would have permitted an agent or broker to qualify for any stipulated form of insurance, which, it is said, would have added greatly to the department's difficulties in handling the licensing and maintaining records.

State Answers Plea of Companies in Missouri Rate Case

Attorney for State Department Emphasizes Clean Hands Principle

KANSAS CITY—Like the memoranda of the companies, to which it is an answer, the filing made June 30 by C. L. Henson, attorney for R. B. Lucas, Missouri insurance superintendent, was most significant when it dealt with the clean hands principle and the matter of restoring benefits received by the state and the insurance department under the decree of Feb. 1, 1936.

At the suggestion of the three-judge federal court, which handled the Missouri rate case settlement and which reassumed jurisdiction when the Pendergast-O'Malley bribery was revealed, the companies June 24 filed a lengthy memorandum setting out their arguments against summary ordering of the companies to repay all the impounded fund to policyholders and to stand the expense of such distribution without a determination of the 16 2/3 percent rate controversy on its merits. The companies hold that the entire rate matter must be settled before the court can know to whom the impounded funds belong.

Opposed Company Arguments

To this position Mr. Henson opposed these arguments:

1. Not only must the plaintiff come into a court of equity with clean hands, but he must keep them clean after his entry and until the final determination of the case. "The plaintiff's citations of authority hardly raise an issue," asserted Mr. Henson. He added that there is an almost unanimity of authority in affirmation of the principle that the party must keep his hands clean in court. The cases cited by the companies, he charges, all are based on remote conduct of mere underlings or employees of corporations, not officials or executives.

2. The right of the court to proceed by means of the show cause order after the close of the term in which the decree was given Feb. 1, 1936. Contention of the insurance superintendent is that the court has now the power to distribute the funds to the policyholders regardless of the fact that such action might mean in effect setting aside of the decree because (1) a decree procured by fraud, collusion, and misrepresentation may be set aside or vacated at any time, even after the expiration of the court term, and (2) this may be done on the court's own motion.

3. Scope of power under reservations contained in the decree. Under this heading, the superintendent maintains (1) that the decree is interlocutory, which will admit of any action on it,

(CONTINUED ON PAGE 22)

Too Much Rain Has Had Bad Hail Effect

Premiums Are Off Considerably This Year on Returns

Hail insurance companies are faring rather badly this year, first because premiums are off from 40 to 50 percent and, second, there has been so much rain throughout the wheat belt. There has been rank growth resulting in much of the grain falling down. After the grain has fallen, there has not been enough clear weather so that the stalks will rise. In some of the rainstorms there has been hail and hence the adjustment is very much complicated because the assured will claim that the hail has been the cause of the grain being on the ground. Rain has been very general throughout the west. Premiums are off in almost all states although there may be some pickup in the far north and the Canadian provinces as business has just started to come in from those sections.

Strange as it may seem, North Carolina will probably be the leading state in hail premiums this year. This is due to the large amount of hail insurance written on tobacco. Tobacco has become a favorite hail crop and the companies write it freely in all states except Wisconsin where only two are writing it rather sparingly. Corn has been a good hail producer and is growing every year in importance. Companies are fighting shy of Colorado so far as melons and truck of various kinds are concerned because of the high loss ratio.

MINNESOTA RECORD

MINNEAPOLIS.—Unless results in July and August are abnormally favorable, companies writing hail insurance in this state won't show much profit, if any, for the season. Losses in June when hail damage ordinarily is not so severe as in the following two months, were unusually heavy.

"I would estimate the loss ratio to date at 30 to 40 percent," said G. S. Hansen, Rain & Hail Insurance Bureau. At the office of Weeks & Jackson of the Home of New York, largest hail writer in this territory, the loss ratio was not put so high, but it was admitted it was unusually high for so early in the season. Many of the losses have not been adjusted as yet, so it is difficult to get a close estimate on the loss ratio.

More hail business has been written in Minnesota this year than last but little in North and South Dakota.

Missouri Lays Plans to Tax O'Malley and Pendergast

JEFFERSON CITY, MO. — The state has set in motion machinery to collect approximately \$5,000 in income taxes from R. E. O'Malley on the former insurance superintendent's share of the Missouri rate case settlement. It was indicated by the state auditor's office that an income tax would be levied against T. J. Pendergast on the \$315,000 he received from the settlement.

A conference between Mr. Smith and counsel for Pendergast will be held in Jefferson City within a few days to determine how much state income tax Pendergast owes.

Murray Is Nebraska Chief Clerk

LINCOLN, NEB. — H. J. Murray, formerly state treasurer of Nebraska, has succeeded Mrs. Mary A. Fairchild as chief clerk of the Nebraska insurance department. Mrs. Fairchild served more than 25 years in the office, having been commissioner for more than two years in the twenties.

Thomas A. Webb, Cranston, has been appointed an examiner in the Rhode Island insurance division.

America Fore Veteran Died Early Wednesday



THOMAS R. DUNGAN

Thomas R. Dungan, manager of the America Fore at Chicago died early Wednesday morning at his home in Oak Park Ill., from heart trouble. He had participated in a golf game Friday. Mr. Dungan suffered from heart attacks and has been ailing to some extent recently. For many years he was one of the leading field men in Indiana, being state agent of the Fidelity-Phenix and First American Fire. He was particularly warm-hearted and valued his insurance friends most highly.

He did not go to his office Monday of this week and later his case developed dangerous symptoms. Mr. Dungan started as an office boy in the western department of the old Phenix of Brooklyn, later the Fidelity-Phenix, 35 years ago. He finally became an examiner and then was sent to Indiana where he traveled for 20 years. He was 51 years of age. He was appointed brokerage manager in February of last year.

Omaha has levied a municipal tax of \$5 for each agent doing business in the city for each company, with a minimum charge of \$10 and maximum of \$250. It is the same as the former ordinance except that the tax is levied for the fiscal year beginning July 1 instead of May 15.

Finance Committee Considers Bill

Will Discuss Status of Agents Under Social Security Act

WASHINGTON, D. C.—The U. S. Senate finance committee is still in executive session considering the amendments to the social security act contained in house bill 6635. On Friday morning of last week the committee voted 17 to 2 to strike out the language of the bill which has the effect of leaving the ruling of the Bureau of Internal Revenue recognizing insurance agents as independent contractors rather than some of them being construed as employees under the bill.

Herring Amendment

The first amendment proposed by Senator Herring of Iowa on June 15 was abandoned and the action taken was pursuant to his newly introduced second amendment. The senate committee resumed its consideration of the bill later this week. Other amendments will probably be brought in, although from the preponderance of the committee vote, it is doubtful whether any other form of language may be adopted which would continue to exempt agents as independent contractors and yet bring under the act those who occupy the status of employee under the law of master and servant. The new effect of the rejection by the Senate finance committee of the proposed amendment under which insurance agents might be classified as employees, instead of being independent contractors, is to restore the status quo. No further public hearings will take place.

When the committee has reached agreement it will report back to the full Senate, though when this will be and the nature of its report, of course, is unknown.

The finance committee apparently was unwilling to pass upon the agency question as a whole, though conceding that those holding membership in the National Association of Insurance Agents and others working under like company connections, were as Secretary W. H. Bennett of that organization in his appeal contended, independent contractors. The situation as to industrial life agents, for example, was held to be different, and hence the committee was unwilling to embrace all insurance agents under one definition.

Caminetti Appoints Fay as His Chief Deputy

Commissioner Anthony Caminetti, Jr., of California, newly appointed, who completed his qualification for the office, has appointed Eugene P. Fay, department attorney for six years, as his chief deputy to represent him in all matters pertaining to the office and to take charge of the department prior to himself taking active control.

Judge Caminetti, who is superior court judge in Amador county, suffered an attack of illness soon after he was confirmed by the California senate. This delay, coupled with several cases pending before his court, means that he will not be "on the job" for another week or more.

The new commissioner is 61 and a son of the late Anthony Caminetti, well known in California politics for many years and commissioner of immigration under President Woodrow Wilson.

Hickey Placed in Charge of New Detroit Office

L. J. Hickey, manager for L. & L. & G., Thames & Mersey, Federal Union and Star in Chicago, has been placed in charge of a new marine office which Royal-Liverpool is opening in the First National Bank building in Detroit.

Mr. Hickey, who handles both ocean and inland marine for the entire state of Michigan, will assume his duties there on July 10. He has been with the four companies he represents since 1925, starting in New York. He went from New York to Chicago in 1937. His long experience in marine work qualifies him well for his added duties.

Auditing Committee Finds No Evidence of Fraud

The report of the auditing committee at insurance conventions is usually a routine matter, and, on the surface, at least, it was at the convention of the American Association of Insurance General Agents in San Francisco. But A. E. Benson, general counsel of Fire Association, introduced some humor by getting up a spurious report and causing the chairman of the committee, C. F. Zender, Nashville, to ask the other members of the committee to sign it. "We have been unable," the report stated, "to find evidence of petty or grand larceny, fraud or embezzlement." Secretary-Treasurer Herbert Cobb Stebbins of Denver is exhibiting this report as one of his insurance curios.

To Attend Institute Meeting

Vice-president L. E. Falls of the American sailed on the "Mauretania" to attend the conference of the Chartered Insurance Institute of Great Britain to be held in London, July 13-15. Mr. Falls will attend as president of the Insurance Institute of America.

Monmouth County, N. J., Outing

The New Jersey Field Club will be guests of the Monmouth County Association of Insurance Agents at the annual outing July 24 at the Old Orchard Country Club, Eatontown, N. J. It is expected that a number of officials of the New Jersey Association of Underwriters also will attend.

Program for Rural Agents

The Massachusetts Association of Insurance Agents is now preparing a program for rural agents which will assist them in producing more business. John D. Lynch of Stevenson & Co. of Pittsfield is chairman, the other members being R. B. Greenwood of Winchendon and F. G. Thatcher of Hyannis.

The annual golf tournament of the Portland, Ore., Insurance Women's Association will be played at Broadmoor club course July 9. Esther Brown is chairman of arrangements.

THIS WEEK IN INSURANCE

The Business Development Office is broadening its activities and seeking to strengthen the service of agents. **Page 3**

Attorney for the Missouri insurance department emphasizes clean hand principles in answer to fire companies in Missouri rate case. **Page 3**

Paramount Fire organization is completed and reinsurance contract with the Home of New York is approved. **Page 3**

G. D. Gregory, secretary in the western department of the Great American group, is retired and is succeeded by G. C. Classen, assistant secretary. Carl E. Ingram becomes assistant secretary. **Page 5**

Program is announced for the annual meeting of the West Virginia Association of Insurance Agents. **Page 5**

Hail insurance companies have not been faring well owing to reduced premiums and too much rain. **Page 4**

Upper Peninsula Association of Insurance Agents prepares elaborate program for its annual meeting at Iron River. **Page 5**

Mid-America Casualty of Cedar Rapids control has been purchased by T. W. Garrett, Jr., of Kansas City and his associates and the executive office will be transferred there. **Page 20**

An interesting article is contributed on insurance premium financing by Willis Van Pelt of the First Bancredit Corp. **Page 15**

Barent Ten Eyck, assistant district attorney of New York county, becomes general solicitor of the claims bureau of the Association of Casualty & Surety Executives. **Page 14**

Thomas Hook of Standard Accident named governing committee chairman at annual meeting of Bureau of Personal Accident & Health Underwriters in New York. **Page 15**

"Jalopies", ruled off roads in New Jersey, increase highway hazard in south. **Page 13**

Special newshoys' policy covers publishers' liability under independent contractor setup. **Page 13**

West Coast Automobile Conference at a meeting in Del Monte endeavored to stabilize rate levels. **Page 13**

Probe of insurance in Illinois by commission authorized by legislature, but \$1,000 appropriation for purpose was eliminated. **Page 6**

U. S. Senate finance committee in executive session considering bill regarding agents as independent contractors. **Page 4**

"Consultants" cause extra work at home offices and loss of business to agents. **Page 13**

Superintendent Pink of New York gives additional information regarding the impending new automobile rates for personal liability and property damage. **Page 13**

Classen Second and Carl Ingram Third in Western Office

Secretary G. D. Gregory of Great American Retires After 37 Years

NEW YORK—At the meeting of the board of directors of the Great American this week arrangements were made to retire Secretary G. D. Gregory in the western department at Chicago, the second man in the branch, after 37 years service. He is retired on liberal terms. G. C. Classen, assistant secretary in the western department, moves up to the secretaryship, being second in command to Vice-president S. M. Buck, in charge of the department. Carl E. Ingram, agency superintendent, becomes assistant secretary, assuming Mr. Classen's office.

Started as Office Boy

Mr. Gregory has been connected with the Great American during his entire business life. He started as an office boy at the head office and later went into the New Jersey field. He was recalled to the home office as agency superintendent and then became executive special agent. He had charge of the American National of Columbus, which is owned by the Great American, before being sent to the western department as assistant manager.

Mr. Classen started in the business as a clerk in the western department of the Hanover in 1901. In January, 1908, he was transferred to the western office of the Great American as assistant examiner and has been with it ever since. Later he became examiner, then agency superintendent and in April of last year was made assistant secretary. He is regarded as one of the most capable underwriters in the west.

Carl Ingram's Career

Mr. Ingram springs from an insurance family, being a son of the late John C. Ingram, who for many years was Indiana state agent of the Great American, later assistant western manager and then joint manager with W. L. Lerch. His brother, Dwight Ingram, is a well known Chicago agent. Carl Ingram started his insurance career after graduating from Harvard in the western department of the Springfield F. & M. He became Indiana state agent of the Westchester and later was called to the western department when S. H. Quackenbush was manager and then became assistant manager. After the Westchester was acquired by Crum & Forster its western department moved to Freeport, Ill., and Mr. Ingram joined the Great American as agency superintendent. He is a very successful underwriter.

Both these men started with western departments and their schooling has been thorough.

Vice-president Buck has a very able staff and is making all promotions direct from the Great American ranks.

Miller Confers on Convention

BOSTON—J. B. Miller, assistant secretary of the National Association of Insurance Agents, has been here conferring with committees in charge of the association's annual convention here in October. He was given a luncheon by the Boston members of the committee and prophesied there would be an attendance of 2,500 at the convention.

Complete Program for Annual Muster

Schedule of Events for Upper Michigan Peninsula Rally

The Upper Peninsula Association of Insurance Agents has now completed its program for the annual meeting at Iron River, July 14-15. The organization has rounded out a very ambitious program. On July 14, there will be town inspections of Iron River, Stambaugh, Caspian and Gaestra. In the evening of July 14, there will be a fire prevention banquet at the Stambaugh, Mich., high school gymnasium at which county, city officials and officers of civic organizations will be present. The program for the entire event is as follows:

July 14, 6:30 p. m.

Banquet. Invocation Rev. G. J. Dingfelder.

Community singing led by W. B. Calhoun, former National association president, Milwaukee.

Introduction of Toastmaster, Guy M. Cox, Iron River, president Upper Peninsula Agents Association.

Toastmaster, W. O. Hildebrand, Lansing, secretary-manager Michigan Association of Insurance Agents.

Address, John G. Emery, state insurance commissioner.

Address, "The Humanitarian Side of Fire Prevention," by Harry K. Rogers, chief engineer fire prevention department Western Actuarial Bureau, Chicago.

July 15, Morning Session

Guy M. Cox, Iron River, president, presiding.

Address of Welcome, E. T. Wittcock, mayor of Stambaugh.

Response, Mrs. Abner Holmberg, Ironwood.

Discussion, Inland Marine Insurance, N. C. Bartholomew.

"The State Accident Fund," William Bishop, manager, Lansing.

"The Michigan B. D. O. Program," Joseph Mundus, Ann Arbor, past state president.

"Your State Association," W. O. Hildebrand, secretary Michigan association.

Report of Upper Peninsula Governors, 13th district, John P. Old, Sault Ste. Marie; 14th district, Fred Roper, Menominee; 15th district, Guy M. Cox, Iron River.

Afternoon Session

"New Insurance Laws and Legislation," Clyde B. Smith, Lansing, State Chairman of Law and Legislative Committee.

Annual Report State Association, Mar-

West Virginia Card for Annual Meeting

Convention Will Be Held Next Monday and Tuesday

The program for the annual meeting of the West Virginia Association of Insurance Agents to be held at the Greenbrier Hotel, White Sulphur Springs, W. Va., July 10-11, is announced. The banquet will be held the evening of the first day. A number of company officials will be present. R. D. Watts, Beckley, the president, will be in charge. H. S. Ellis of Huntington, secretary and manager, will give his report.

B. P. Carter, of Richmond, Va., who has done heroic and extensive work in presenting the growth and work of co-operatives, will be one of the chief speakers. Stuart Ragland, the new president of the Virginia Association of Insurance Agents, and prominent in the National association, will represent that body. A. E. Spottke, manager of the automobile division of the National Bureau of Casualty & Surety Underwriters, will tell about the recent automobile rate adjustment. A. R. Menard, director of the Business Development Office of New York City, will be a speaker. Manager E. V. King of the West Virginia Inspection Bureau will give some details of the law passed by the last legislature concerning rate regulations. Three distinguished guests will be State Auditor E. B. Sims, Deputy Commissioner Harlan Justice and State Fire Marshal F. B. Watkins. The West Virginia Fire Underwriters' Association will meet next Wednesday following the adjournment of the local agents body.

tin Mullally, president Michigan association, Muskegon.

"The National Association," George W. Carter, National Councillor, Detroit.

"New Automobile Rates."

3:30 p. m. Special meeting of Michigan association.

General discussion and question box, led by John D. Healy, Houghton.

Report of resolutions committee.

Evening Session

5:30 p. m. Reception, Iron County Association.

6:30 p. m. Banquet at Caspian Town Hall.

Toastmaster, C. M. Sleder.

Stories in dialect, Martin LaViolette.

Address, Commissioner John G. Emery, Lansing.

Closing Features of General Agents Meeting of Interest

Number of Points Were Brought Up and Special Assignments Made

The American Association of Insurance General Agents at the closing session of its convention in San Francisco voted to contribute \$100 to the J. Gilbert Leigh memorial library in Little Rock. Mr. Leigh was a past president and had always been one of the leaders. The motion was made by Stewart Scruggs of Dallas, after J. K. Shepherd of Little Rock had told about the project.

Invitations for the 1940 meeting were extended in behalf of Jacksonville, Fla., by George Edmondson of Tampa and for Dallas by Mr. Scruggs. If the meeting is held in Florida, the sessions will probably be held at Ponte Vedra Beach.

Social Security Tax

Upon motion of Arthur Brown of Edward Brown & Sons, San Francisco, the executive committee was instructed to make a study of the social security tax situation, and to discuss at the 1940 meeting the question whether the tax should be the obligation of the company or the general agent. Mr. Brown stated that the tax now amounts to about 3/4 of 1 percent.

The association approved the suggestion that T. L. Lauve of Trezevant & Cochran, Dallas, be invited to the 1940 meeting as special guest. He was the first president. The suggestion was made by L. C. Quin, Atlanta.

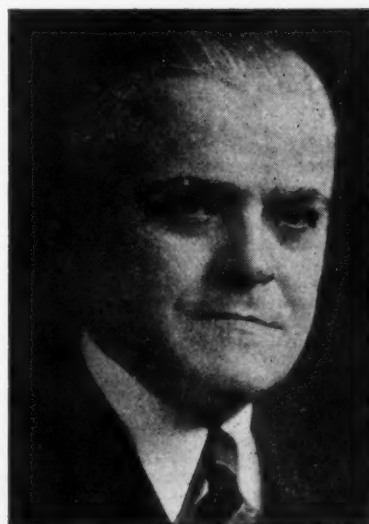
The executive committee will meet in Boston this fall at the time of the convention of the National Association of Insurance Agents and will fix the place of the 1940 convention.

Three Talks Given

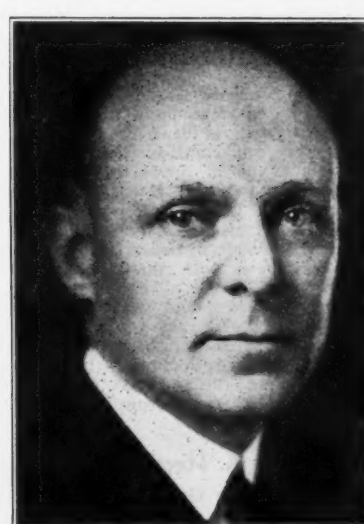
Three splendid talks were given at the closing session. S. L. Carpenter, Jr., manager Pacific Board, covered about the same ground that he did in his address at the recent annual meeting of

(CONTINUED ON PAGE 22)

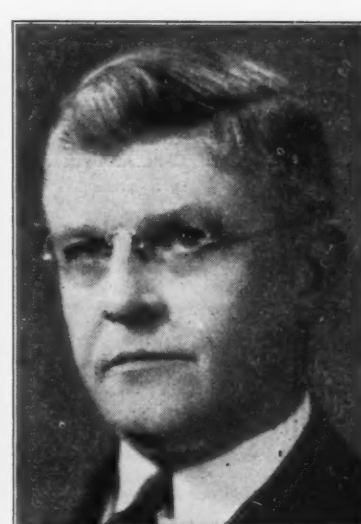
CHANGES IN GREAT AMERICAN WESTERN OFFICE



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Unexcelled property insurance policies, helps with your agency problems, financial stability, and a reputation for prompt payment of just claims are valuable features available to RELIABLE AGENTS.

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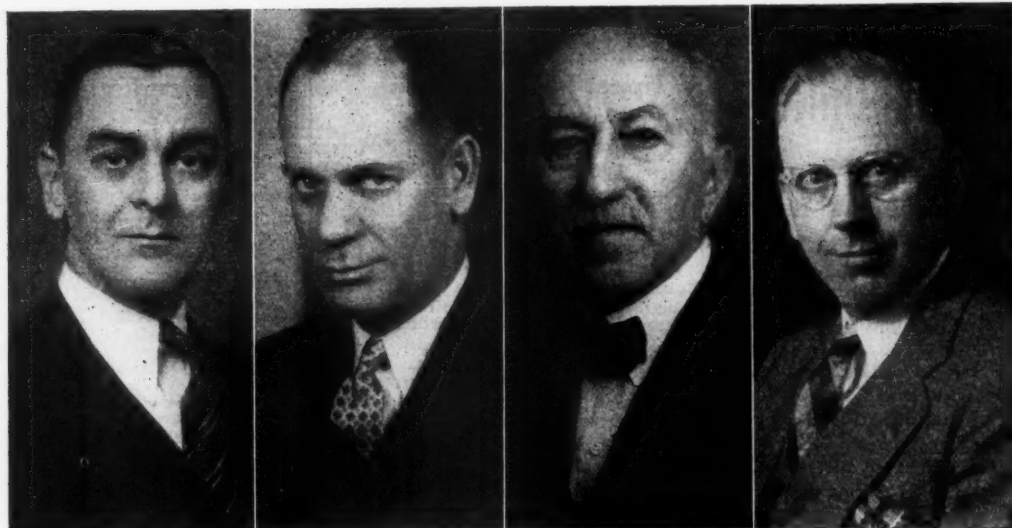
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Now in our 75th year

An Independent Ohio Company with current surplus to policyholders of \$1,109,183.00

FOUR LECTURERS AT FLORIDA INSURANCE SCHOOL



D. L. ROYER

WENDEL C. HEATON

EDWARD C. LUNT

C. D. MINOR

At the Florida Insurance School at Hollywood Beach Hotel, Hollywood Beach, Fla., this week, there are a number of lecturers and discussion leaders that have given their services. In this

quartette D. L. Royer of New York is chief engineer of the Ocean Accident & Guarantee. W. C. Heaton, Tallahassee, is chairman of the Florida industrial commission. E. C. Lunt of New York

City is vice-president of the Great American Indemnity. C. D. Minor of New York City is director of education of the Royal-L. & L. & G. group of companies.

NEWS OF FIELD MEN

Busack Heads Field Group in Wisconsin

Henry C. Busack, Milwaukee, state agent Norwich Union, was elected president of the Wisconsin Fire Underwriters Association, the organization of field men of Western Underwriters Association companies, at the conclusion of the series of field meetings at Lake Delavan last week. Mr. Busack, who was elevated from the vice-presidency, is one of the best known and most popular field men in the state and has long taken a prominent part in the field organization and in the Blue Goose.

Other officers are G. C. Peacock, Agricultural, vice-president, and W. H. Berry, America Fore, secretary-treasurer. D. W. Swanson, St. Paul F. & M., retiring president, was elected a director for a one year term and E. S. Willman, Commercial Union, director for a two year term.

North America Make Some Promotions

R. O. Young of Grand Rapids, western Michigan state agent of the North America group, is transferred to Omaha in a more important position where he will have special production responsibilities in Iowa and Nebraska. He is replaced by G. F. Golterman, special agent in Detroit and Wayne county. He is a Northwestern University graduate and has been with the company for seven years.

J. J. Ahern, who went with the North America a year ago in its engineering department, becomes special agent in Wayne county. He is an Armour graduate and was four years with the Michigan Inspection Bureau.

Ohio F. U. A. Meetings

The Ohio Fire Underwriters Association will meet July 11 in Columbus. There will be no regular August meeting, but the September meeting will be held in Cincinnati Aug. 30.

Indiana Fire Group Elects Watkins

C. R. Watkins, New York Underwriters, Indianapolis, was elected president Indiana Fire Underwriters Association at the annual meeting at Lake Wawasee. Vice-president is R. C. Walker, L. & L. & G., Indianapolis, and secretary-treasurer, Miss Elizabeth Cooper.

M. H. Grannatt, western manager Royal-Liverpool, Chicago, spoke, commenting on the necessity for field men to study such phases of their business as would place them in entire command of any situation they might encounter. He said this was a day and age where actual service was a necessity and the field man could give it, including particularly the many side lines which are equally valuable to the agent and to the company.

Dr. L. A. Warren, director Lincoln National Life Foundation, told of the life of Lincoln, who lived in Indiana from age seven to his 23rd year. He said the Hoosier state had a very definite claim as the home of this great American during the formative years in his life.

Special guests included Mr. Grannatt, Mr. Warren, E. M. Schoen, western manager Atlas, Chicago; John Rygel, resident secretary, Hanover, Chicago, and L. J. Fischer, assistant general manager Home, Chicago.

Mr. Fischer was recently appointed to his position after serving the Home group in Indiana for 19 years. He was unanimously elected as an honorary member of the Indiana Fire Underwriters.

The golf game was rained out on Wednesday after a fair start and was replayed on Thursday. Winners were: Low gross, members, W. R. Caskey, Travelers, Indianapolis, and low gross guests, John Rygel. Mrs. Rygel won first bridge prize and David Goss, Continental and American Eagle, Indianapolis, won the men's bridge prize. The horseshoe contest was captured by R. W. Sherburne, Great American, Valparaiso.

President G. W. Mercier, state agent

Hanover, Indianapolis, presided at the conference. Mr. Walker was general chairman for the program and presided as toastmaster at the banquet at which Dr. Warren spoke.

Changes in National Fire

Field Men in Several States Are Shifted by General Manager Bell of Western Department

Several field changes are announced by G. H. Bell, general manager of the western department of the National Fire group.

Frank E. Greene, who has been with the company for several years as special agent and production engineer in Cleveland and northeastern Ohio territory has been transferred to Iowa at the request of State Agent Will H. Harrison to assist him over the entire state. Special Agents W. K. Hankinson, R. E. Rinard and A. A. Ingram will continue to serve in their respective territories. Mr. Greene is a graduate of Ohio State University and for 13 years was with the Cleveland branch of the Ohio Inspection Bureau. For many years he has conducted the fire course of the Insurance Society of Cleveland affiliated with the Insurance Institute of America.

Gunther Goes to Ohio

A. C. Gunther, who has been in the engineering department of the Chicago office, is being transferred to Columbus, Ohio, as special agent and production engineer. Special Agents O. A. Ogden, C. E. Reeder and Geo. H. Wilkinson continue in their respective fields, all under the supervision of State Agent Fred G. Bell. Mr. Gunther, after graduating from the Armour Institute, was with the Oklahoma Inspection Bureau and the Western Factory before going to the western department of the National Fire. He has also had training along automobile and inland marine lines.

John F. Borg, who has been in the Chicago office in both the fire underwriting and the automobile and inland marine department, has been transferred to Michigan as special agent with headquarters at Detroit. He has had many years of training in all of the important branches of the business and will

America Fore

"To those of us engaged in the banking business, there is no more important ally than our insurance companies. With conditions in many foreign countries so greatly disturbed, it is very reassuring to know that we have American insurance companies ably managed and financed for the use and protection of American enterprises.

"Certainly the part that the America Fore Group has contributed has been outstanding."

Excerpt from a letter of a leading American bank president. The letter is on file at America Fore, 80 Maiden Lane, N. Y.

The America Fore Insurance and Indemnity Group comprising six Fire companies and one Casualty company, is one of the largest and strongest American insurance groups. It writes practically every kind of insurance except life. On its Boards of Directors will be found a cross section of leaders in American business and industry, men who have guided America Fore to its present outstanding position in the field of underwriting.

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EDWARD C. DELAFIELD—Partner
Delafield & Delafield—Member of New York Stock Exchange

GAYER G. DOMINICK—Special Partner
Dominick & Dominick, Member of New York Stock Exchange

WADE FETZER—President & Director
W. A. Alexander & Co., Chicago, Ill.

MARSHALL FIELD—Director
Marshall Field & Co.

WILLIAM S. GRAY, JR.—President & Trustee
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MAITLAND F. GRIGGS—Director
Alexander Smith & Sons Carpet Company

DUNCAN G. HARRIS—President
Brown, Wheelock, Harris, Stevens, Inc.

WALTER R. HERRICK—Limited Partner
G. M. P. Murphy & Co.—Member of New York Stock Exchange

ROBERT J. HILLAS—Former President
The Fidelity & Casualty Company of New York

JAMES J. HOEY
Hoey & Ellison—Insurance

ROBERT L. HOGUET—President & Trustee
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JOSEPH E. LOPEZ—Director
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HERBERT D. LOUNSBURY—Member of Firm
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E. HERRICK LOW—Vice President
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ETHELBERT I. LOW—Chairman of Board
Home Life Insurance Company

HALL PARK McCULLOUGH—Of the firm
Davis, Polk, Wardwell, Gardiner & Reed—Lawyers

EUSTIS PAINE—President & Director
New York & Pennsylvania Co.

PETER S. PAINE—First Vice President & Director
New York & Pennsylvania Co.

EDGAR PALMER—Chairman of the Board & Director
New Jersey Zinc Co.

THOMAS I. PARKINSON—President & Director
Equitable Life Assurance Society of United States

FREDERICK S. PENDLETON—President & Director
Pendleton & Pendleton, Inc.—Insurance, Brooklyn, N. Y.

R. STUYVESANT PIERREPONT—Director
Virginia Coal & Iron Co.

AUGUSTE G. PRATT—President & Director
Babcock & Wilcox Co.

SAMUEL RIKER, JR.—Assistant Secretary
New Jersey Zinc Company

PHILIP J. ROOSEVELT—Member of firm
Roosevelt & Son—Trustees

CARL J. SCHMIDLAPP—Vice President
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THOMAS R. WILLIAMS—Partner
Ichabod T. Williams & Sons—Lumber

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YOUR GOOD



NEIGHBOR

is Your GENERAL AGENT

He is not your competitor, but instead, as a good neighbor, is always ready to help YOU as a LOCAL AGENT. He covers his territory thoroughly, is familiar with local conditions, and invites you to call upon him for cooperation or assistance.

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Established 1921

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Complete Insurance Facilities
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Nashville Trust Bldg.
Nashville, Tenn.

• Know the General Agent in your locality. Write the office nearest you or the American Association of Insurance General Agents, Gas & Electric Bldg., Denver, Colorado.

travel southeastern Michigan under the supervision of State Agent C. L. Zook. James I. Egy, who for five years was with the Aetna Casualty & Surety and has had underwriting and field experience in several middle western states, has been appointed special agent in Kansas with headquarters at Topeka. He has had automobile and inland marine experience and will travel under the supervision of State Agent W. L. Gardner.

Change Made in Indiana

H. W. Mullins, who has served in the engineering department of the western department of the National Fire and for the past few years has been located in Detroit as a production engineer in Michigan, northern Indiana and parts of Ohio, has been appointed state agent for Indiana, succeeding F. S. Grahn, who is being transferred to the Chicago office. Mr. Mullins has had a wide experience and is thoroughly familiar with not only the fire business but the automobile and inland marine business as well. He is a graduate of the Armour School of Technology and was with the Michigan Inspection Bureau for six and one-half years prior to entering the service of the National Fire. He will be assisted by Special Agents E. P. Ressler and J. M. McMullen and by Special Agent B. W. Pfeifer who primarily handles farm business in Indiana.

Knox Maine State Agent

In succession to L. O. Tebbetts, who retired after extended service as Maine state agent for the Royal Exchange group, J. R. Knox, a graduate of the head office, has been named to the post. Mr. Knox, in addition to representing the fire writing members of the group, will develop the interests of the casualty subsidiary, Car & General, in his territory. He is a son of the special agent of the Liverpool & London & Globe, and a grandson of the late secretary of the Phoenix of Hartford. A graduate of the Wharton School of the University of Pennsylvania, he resided in Portland for 22 years before joining the headquarters staff of the Royal Exchange, representing the Penn Mutual Life part of the time.

Gressett with Aetna Fire

M. A. Gressett has been appointed marine special agent for the Aetna Fire group, assigned to the southern department's headquarters in New Orleans. For the past 14 years he has been connected with prominent marine offices in Atlanta and New Orleans and has traveled extensively in the southern states. As marine special agent for the Aetna Fire he will assist Marine Manager J. J. Brill. Mr. Gressett is a native of Ballinger, Tex., and was educated at the Texas A. & M. and Georgia School of Technology.

Name Indiana Pond Committees

A. W. Schmadeke, Atlas, most loyal gander Indiana Blue Goose, appointed J. E. Miller, Ohio Farmers, chairman of the entertainment committee. Mr. Miller is to select the other members of his committee. Edw. Smaidinnis, Home, heads the membership committee, and V. M. Armstrong, attorney, is chairman of the educational committee. It is

hoped enough members of the Indiana pond will attend the grand nest meeting at Cincinnati in August to make a party for a special car or bus.

Name California Pond Committees

Raymond Needham, most loyal gander, California Blue Goose, appointed committees, chairmen being: Membership, V. W. McKinney; entertainment, E. W. Dunn; attendance, F. E. Tidwell; educational, A. N. Bushnell, Sr.; initiation, Don Hunter; visiting, Fred Henderson; music, George Houghton; golf, Charles Watson; publicity, Mark Wells, and relief, B. C. Fischer.

Carolina Blue Goose Elects

The Carolina Blue Goose held its annual meeting at Wrightsville Beach, N. C. J. C. Leech, Security of Connecticut, was elected most loyal gander; R. H. Lewis, National Union Fire, supervisor; M. L. Fuller of the R. S. Busbee general agency, custodian; W. W. Philbrick, guardian; Jack E. Smith, Aetna Fire, keeper, and J. F. Satterlee, Atlas, welder.

Benson Goes to Chicago Office

W. J. Benson, who has been working as special agent in Wisconsin for Glens Falls, will now be attached to the Chicago office under the direction of Vice-president C. M. Hayden. He is being succeeded in Wisconsin by H. L. Hart.

Illinois Blue Goose Golfers

The Chicago contingent of the Illinois Blue Goose in its annual golf tournament found that T. F. Charlton, Western Adjustment, and G. R. Pape, Royal-L. & L. & G. won out in the contest and will represent Chicago in the annual Blue Goose tournament in which the Springfield and Peoria puddles will compete. E. T. Nation, Travelers, and C. B. Choate, Home of New York, are the Peoria contestants.

NEWS BRIEFS

At the annual meeting of Chesapeake Blue Goose in Baltimore, K. V. Robbins, Home, was elected welder, and R. C. Klebart, Factory Insurance Association, guardian.

W. C. Buckingham, 82, father of M. C. Buckingham, Indiana state agent of the Great American, died at his home in Loveland, O.

John E. Wilkinson of Oklahoma City, state agent Kansas City Fire & Marine, has returned to his desk after an absence of more than four weeks due to illness. He has removed his offices to the Colcord building.

Installation of officers of the Oklahoma Blue Goose, set for June 26, was indefinitely postponed.

Jules J. Elder, Virginia state agent Connecticut Fire, has left for the Pacific Coast on a vacation trip, accompanied by Mrs. Elder.

The Sunflower Puddle (Wichita) of the Blue Goose has adjourned for the summer.

Vincent H. Schenck of Schenck & Schenck, one of the oldest agencies in Jersey City, N. J., celebrated his 80th birthday. He started in the insurance business when he was 14 years old. His two sons, D. S. Schenck and R. P. Schenck, are in the business.

Dog — The Friend of Man



GOOD FRIENDS
(The English Sheep Dog)

It is told that an innkeeper once sent as a gift by carrier to a friend, a dog and cat tied up in a bag. These animals had been companions for many months. A short time later, the dog and cat took their departure from their new home and returned to their old habitation, a distance of some 15 miles. They jogged along the road together and it was noted that on one occasion the dog came to a gallant defense of his feline friend when she was threatened by an attack from another dog they met. The human interest photograph of the dog and cat portrayed on this blotter vividly illustrates a similar friendship.

When company and agents together travel the same path of loyalty, service and cooperation, the agent as well as the company profits from the relationship.

Another Friend of Man — INSURANCE — Especially When Placed With

A Friendly Company

SECURITY FIRE INSURANCE COMPANY

DAVENPORT, IOWA
Protection Since 1883

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When a local agent starts to operate on some new, unusual, and basic plan that lifts his business above the difficulties that surround it, that's when success starts. Such a plan is described in our free book "PLANNED PROGRESS." Send for it, without obligation.



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NEW YORK

ASSOCIATIONS WILL REPORT

Instead of each fire company filing with the Pennsylvania department complete copies of all policy forms written, it has been arranged that the Underwriters Association of the Middle Department, the National Automobile Underwriters Association and the Explosion Conference, prepare a list of contracts used by their respective members; that these be checked by individual offices, and if any forms are issued in addition these be added to the record. Through this means the information sought by Commissioner Taggart will have been supplied, without his office being deluged with a multitude of policy identical forms sent in by each separate company.

NEW YORK POND SLATE

The annual meeting of the New York City Blue Goose will be held in the committee room of the National Board on the afternoon of July 7. The slate to be offered by the nominating committee proposes as officers: Most loyal gander, E. L. Lewis, Underwriters Salvage Co.; Supervisor, H. W. Puschel, Home; Custodian, E. C. Niver, New York Board; Guardian, Harold Hyer, insurance director New York World's Fair; Keeper, John Ochs, Continental; Wielder, M. C. W. Buchenberger, Underwriters Salvage Co.

Insurance Men Elected

NEW YORK—J. L. Madden, third vice-president Metropolitan Life, has been elected treasurer of the American Management Association. He was formerly a director. Vice-president in charge of the A. M. A. insurance division is R. H. Blanchard, professor of insurance Columbia University, whose nomination was announced at the annual insurance conference in May.

New directors who are insurance men include John A. Stevenson, president Penn Mutual Life, and J. H. Nickell, insurance manager Philadelphia Electric Company.

O'Sullivan Heads Seattle Pond

SEATTLE—G. A. O'Sullivan of the Hinchman Rolph & Landis general agency, was elevated to most loyal gander of Seattle Blue Goose at the annual meeting. Other officers were advanced, E. E. Collins, London & Lancashire, retiring as most loyal gander. Other newly-elected officers are: H. R. French, Merchants Fire of New York, supervisor; A. E. Campbell, independent adjuster, custodian; P. J. Braun, Washington Survey & Rating Bureau, guardian; E. W. Trenbath, keeper; Bruce Parker, of Parker & Huff, wielder; E. E. Collins and Martin Pool, past most loyal ganders, were elected dele-

gates to the grand nest meeting at Cincinnati in August.

New York Field Meeting

SYRACUSE, N. Y.—The semi-annual meeting of the Underwriters' Association of New York State will be held here next Tuesday. On the preceding day the executive committee will hold its regular meeting presided over by S. W. Ross, chairman.

On Tuesday afternoon a joint outing of the Underwriters' Association and the "Old Association" will be held at the Syracuse Yacht & Country Club. At the dinner many prizes will be awarded.

John E. Forbes, the Sun, is president of the Underwriters' Association and will preside at the meeting.

Tri-County, N. J. Body to Frolic

The annual outing of the insurance agents' associations of Hunterdon, Sussex and Warren counties, New Jersey, will be held at Philipsburg, N. J., July 19. The Tri-County Association, as the organization is called, is endeavoring to make this the largest and most successful outing in history. Luncheon will be served followed by the afternoon of outdoor recreation. F. Roy Baxter of Philipsburg, N. J., Albert "Judge" Craig, H. E. Watt, J. P. Exton constitute the arrangements committee.

Following adjournment of the annual convention of the National Association of Insurance Commissioners at San Francisco, Superintendent L. H. Pink of New York and Mrs. Pink, will spend the vacation period sight-seeing on the west coast and intermediate points, Mr. Pink planning to return to his New York City office about the middle of July. Maurice Lamar has retired from the Bramson Co. agency, Cleveland, which will be conducted by Lee Bramson.

CHICAGO

HITKE NAMED ILLINOIS MANAGER

Kurt Hitke, head of the Kurt Hitke & Co. agency of Chicago, has been appointed Chicago and Illinois branch manager of Salvage Adjustment Corporation, succeeding George L. Truitt, who has been the manager for a number of years and has just resigned. Mr. Truitt remains temporarily in an advisory capacity. Salvage Adjustment's office has been moved to Mr. Hitke's quarters. Salvage Adjustment does all kinds of adjustments, including marine and Lloyds, for the companies.

JUNE FIRES IN CHICAGO

The number of fires in Chicago during June was 2.8 percent less than June a year ago, according to the Fire Insur-

ance Patrol. There were 480 fires reported for June as compared with 494 a year ago. The number of fires for the first six months in Chicago was 3,208, as compared with 3,886 a year ago and 3,757 in 1937. There were no large losses in Chicago during June. The heaviest one was at 913 West Roosevelt Road and 1201 South Sangamon street, when the Horwitz Manufacturing Company sustained quite a loss. Aside from the Rosenbaum and Norris grain elevator losses in May the city has been free from heavy tolls.

COMPANIES

Will Consolidate Activities

The North America has been making a special study of the transactions of its auxiliary companies and decided to transfer the accounting and underwriting departments of the National Security Fire of Omaha to the western department at Chicago. This is done for the sake of economy and efficiency. The states affected are Kansas, Iowa and Nebraska.

Reserve Being Organized

NEW YORK—The Federal of New Jersey, which is controlled by Chubb

& Son, is organizing the Reserve under the laws of New York state. It will have capital of \$1,000,000 and that much surplus. The new company will be wholly owned by the Federal, which is organized under the laws of New Jersey. The officers of the two companies will be the same.

The Lincoln Fire of New York is withdrawing from Georgia. All policies have been cancelled or reinsured in the Birmingham of Pittsburgh.

The Buffalo declared a regular dividend of \$3 per share, payable June 30 to stockholders of record June 24.

Passage of War Risk Cover Bill by U. S. Is Urged

WASHINGTON — Exporters and importers are urging passage of a bill now before congress empowering the government to furnish war risk marine insurance and reinsurance in the event of emergencies. The measure, which is endorsed by underwriters as well as by shippers, is patterned after the government war risk insurance act of 1914, and would, in conjunction with private insurance interests, not only grant war risk coverage to American vessels, and cargoes, but extend protection to vessels of non-enemy powers engaged in American, foreign or domestic commerce as well.



"Don't cry little goil -
ain't dey insured?"

When you are awakened
in the middle of the night
and find a burglar looting
your bureau, don't waste
time by crying. You could
laugh instead, if you had
taken your insurance agent's
advice and bought that All-
Risk Jewelry floater from him

THROUGH

APPLETON & COX INC.
111 JOHN STREET - NEW YORK
Marine Insurance Underwriters
AGENTS OR BRANCHES IN PRINCIPAL CITIES

HANOVER

OPPORTUNITY for you to write MORE Business is what YOU desire.

OPPORTUNITY for US to help is all we ask.

Join the HANOVER FAMILY and let us work with you.

\$4,000,000 CAPITAL JAN. 1, 1938

\$9,213,948 POLICYHOLDERS' SURPLUS

\$15,527,853 ASSETS

LOSSES PAID SINCE ORGANIZATION \$87,940,381

The HANOVER FIRE INSURANCE COMPANY of New York

EDITORIAL COMMENT

Notable Family and Insurance Carillon

INSURANCE in its finest aspects constitutes a large business family of a more or less intimate nature. So far as fire and casualty insurance is concerned, there is a personal relationship among those engaged in it that is always captivating. Therefore when any human interest story is told in connection with an insurance event it is read with genuine pleasure and is a reflection of the sentiment that prevails in this great business family. We are all interested in one another.

In a recent issue of THE NATIONAL UNDERWRITER, when it was chronicled that Western Manager GEORGE H. BELL of the NATIONAL FIRE of Hartford was having his title changed to general manager in order that two of his associates might move up a peg and be closer identified with the administration, it was noted that he had a most unusual and perhaps unprecedented insurance family. We doubt whether there is now or has been any case that parallels it.

Mr. BELL's father, the late Capt. JOHN N. BELL, was secretary of the old OHIO INSURANCE COMPANY of Dayton, O., which later on was taken over by the NORTH BRITISH & MERCANTILE. Then Capt. BELL became an agent of the NORTH BRITISH. He was one of the most capable of those famous Dayton insurance men. GEORGE H. BELL started his insurance career in the office of the Ohio and later became state agent of the NORTH BRITISH & MERCANTILE. In Dayton also among

other local companies was the COOPER INSURANCE COMPANY. One of its field men in Ohio was Capt. J. M. WALLACE, who in his day was one of the most colorful, forceful and energetic field men in Ohio. Both Capt. BELL and Capt. WALLACE served in the Civil War and were company commanders. Capt. WALLACE later became Ohio state agent of the NATIONAL FIRE, being appointed by Western Manager FRED S. JAMES.

Capt. WALLACE had a very beautiful and captivating daughter, Miss NELLIE WALLACE. GEORGE BELL was an upstanding, fine looking young man. He courted NELLIE WALLACE and married her. From this union of two insurance families there developed four sons in the GEORGE BELL household. They constituted the entire BELL progeny. They are all in the insurance business and very successful. FREDERICK G. BELL is located at Columbus and is Ohio state agent of the NATIONAL FIRE. WALLACE A., named after his illustrious maternal grandfather, is New Jersey state agent of the AETNA FIRE. RICHARD J. is an insurance broker in Chicago. ROBERT N. is automobile adjuster in the western office of the NATIONAL FIRE. That makes an interesting insurance family starting from two grandfathers. If there is anything to match it THE NATIONAL UNDERWRITER would be interested in knowing about it. The BELLS have kept ringing lustily for many years and it is to be hoped that their resonance will long be heard.

Definition of a General Agent

THE AMERICAN ASSOCIATION OF INSURANCE GENERAL AGENTS at its San Francisco convention discussed at some length the significance of the title "general agent." It was due primarily to the desire on part of some of the members to change the title of the organization. A movement started to designate a member of this particular association as "managing underwriter" rather than "general agent." This was defeated because it was felt that the organization through its title had gained a certain amount of prestige and the belief prevails that there is growing sentiment to limit the term "general agent" to its proper designation.

THE AMERICAN ASSOCIATION OF INSURANCE GENERAL AGENTS desires the term "general agent" to mean purely a supervising or managing official to whose office the local agents report but in no wise does he write business himself or come in competition with local agents.

In the casualty and surety field the term "general agent" means chiefly an office that secures higher commission than is paid to producers but in most cases there is no supervision. In fact, there are not so very many purely casualty and surety general agents that would be eligible to membership in the American association. Some of those that do considerable supervising write direct business themselves.

Then further, the term "general agent" is employed by some fire companies to designate a departmental manager, it being synonymous with the term "manager." At head offices and in department offices there are also key men designated as "general agents" who have jurisdiction over certain states or territory. That is, at some offices there is the southern general agent, the New England general agent, etc.

In life insurance the term "general agent" usually means a manager and yet

often it is employed by someone who desires to have a more impressive title than the designation of merely a soliciting agent.

Thus it can be seen that there is much confusion about the title "general agent."

It would be of benefit to insurance as a whole if the title "general agent" could be given the definition employed by the AMERICAN ASSOCIATION OF INSURANCE GENERAL AGENTS. It would clarify the situation immensely.

PERSONAL SIDE OF THE BUSINESS

On his way home from the commissioners' meeting **Commissioner Lovejoy** of Maine stopped off in St. Paul for a round of golf with friends in the St. Paul Fire & Marine home office.

Perry Pipkin, elected president of the United States Junior Chamber of Commerce at the national convention in Tulsa, Okla., is a member of the A. E. Pipkin & Son agency, Memphis, Tenn. He was vice-president of the organization in 1936-37 and treasurer 1937-39.

A. Lieberthal & Son of Ironwood, Mich., is celebrating the 40th anniversary of the establishment of the agency, which was started June 27, 1899. A. Lieberthal formed the agency. The policy written on the first risk is still in force, it having been renewed from time to time. On the second day of the agency Mr. Lieberthal took the Detroit Fire & Marine. He was originally in the mercantile business, locating in Ironwood in 1866. In fact, he was the first business man in the town. The London Assurance and Atlas have been represented for 30 years. L. J. Lieberthal, son of the founder, is the sole owner of the business now.

The first company in the Lieberthal agency was the London Assurance. The elder Lieberthal died Nov. 8, 1932, and his son, Lewis J., has carried on the business under the old firm name ever since. The Detroit F. & M. appointment was made by C. A. Reekie, who then was special agent and is now vice-president.

S. M. Buck of Chicago, vice-president in charge of the western department of the Great American, left last week for Lake of the Woods, Canada, where he will indulge in fishing during July. He is accompanied by his son, **Samuel G. Buck**, staff adjuster at the Milwaukee office of the Western Adjustment. The two made the trip by automobile.

Heber J. Grant, president of the Beneficial Life and Utah Home Fire of Salt Lake City, and **W. Eugene Harrington**, local agent of Atlanta, attended the annual meeting of the National Council of the Boy Scouts in New York City last week. Both are councillors of the Scout organization in their respective communities and active in promoting its aims. Mr. Harrington is on the committee seeking to have Atlanta selected for the meeting of the organization in 1940.

When Edward Randall and Thos. F. Ryan, closed their desks for the last time in their offices in the **Fireman's Fund** head office the night of June 30, they carted home armfuls of gifts and memories of three farewell parties. Mr. Randall retires after 20 years as general auditor, and Mr. Ryan, assistant secretary, retires after 46 years with the companies. Among gifts were watches from employees, gold chain and knife, radio sets from executives. Company executives gave the two a luncheon. Women

at the head office were hosts at another luncheon and the men tendered a stag dinner at which 14 seated at the speakers table represented combined service of more than 400 years, 10 being pensioners. B. G. Wills, vice-president, was toastmaster. Mr. Ryan will continue active in the insurance district, as he is most loyal gander of San Francisco Blue Goose, in which he has been a leading figure for many years.

E. W. Elwell of New York City, United States manager of the Royal Exchange group, sailed Saturday for England and will be away for about six weeks.

Mr. Elwell was accompanied on the trip by Mrs. Elwell and their daughter. He will spend a week at the head office and then will go to his parents at Hoylake, England. Mr. Elwell expects to return to New York about the middle of August but Mrs. Elwell will stay on the other side until the end of September.

The "Charter Party," at **Kansas City, Mo.**, reform political organization which has the immediate objective of a recall election to oust Mayor Smith and most of the city council, has announced 16 ward leaders. Of that number, four are insurance men. H. E. Kincaid, president of the Kansas City Life Underwriters Association, Mutual Benefit Life; T. L. Johnson, Equitable Society; M. K. Dubach, secretary Kansas City Insurance Agents Association, and Claude Cochran, general agent, General American Life.

Among those on the good will tour to Alaska of the **Seattle Chamber of Commerce** were Irving Morgan, vice-president Northern Life; Stuart Thompson of the Thompson-Elwell agency, and Mrs. Thompson and Guy C. Worthley, superintendent of agents for the John A. Whalley agency.

A. D. Yeaton, retired vice-president New Hampshire Fire, and Mrs. Yeaton, who have been spending some weeks at Riverside, near Chicago, visiting their two married daughters, expect to start in a few days on a long trek through the Rocky Mountains and Pacific Northwest territory. They will likely spend the winter in southern California. Mr. Yeaton was formerly stationed at Chicago, being western general agent of the New Hampshire.

C. A. Nottingham, assistant United States manager Royal-L. & L. & G., accompanied by Mrs. Nottingham, sailed for a six weeks visit to Sweden and England.

In honor of his completion of a quarter century of service, Superintendent **W. P. Fay** of the underwriting department of the Factory Insurance Association of Hartford was a guest of honor at a dinner attended by 17 of his associates and was presented with a wrist watch suitably inscribed.

Mr. Fay graduated from the Worcester



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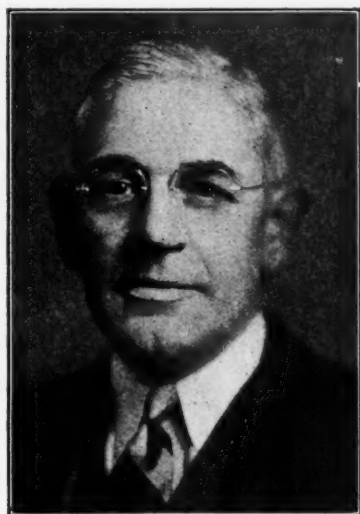
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PROMINENT AT NEW ENGLAND AGENTS MEETING



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Chairman Advisory Board



W. H. MENN, Los Angeles
President National Association



C. J. FITZPATRICK, Baltimore
Secretary United States F. & G.



JOHN A. NORTH, Hartford
Secretary Phoenix

Polytechnic Institute in 1914 and entered the employ of the Factory Insurance Association immediately on July 1, as an inspector in the field. Shortly thereafter he was located at Bridgeport, Conn., but in 1916 he was called into the home office as a supervisor in the inspection department. In 1920 he was transferred to become a supervisor in the underwriting department and on Jan. 4, 1924, he was appointed to his present position.

The Green Bay, Wis. Glee Club, **Earl E. Fisk**, director, which appeared in New York the latter part of June, sang at the dinner and supper shows at the Roosevelt Hotel grill, with Wayne King and his orchestra and on July 1-2, appeared at the World's Fair with the Associated Glee Clubs of America with the program broadcast over a national network.

On July 3, the glee club sang in Washington, D. C. for the United States Senate and the House of Representatives at 4:30 P. M.

The Green Bay Glee Club consists of 30 young men, mostly graduates of middle west colleges and universities, with college glee club experience. Director Earl Fisk is a prominent insurance man of Green Bay. He is the author of the National Association of Insurance Agents' code of ethics.

J. Malcolm Bradfield, general agent of Jacksonville, Fla., is having a checkup at the Mayo clinic at Rochester, Minn. His health has been imperfect for the past two years, and he decided to go through the clinic on returning from San Francisco, where he attended the meeting of the American Association of Insurance General Agents. He is the new chairman of the executive commit-

tee of that organization. He is accompanied by Mrs. Bradfield.

J. J. Magrath, vice-president of Federal of New Jersey, and Mrs. Magrath are taking a trip through the Banff-Lake Louise country. They are returning east after attending the meetings of the insurance commissioners and American Association of Insurance General Agents.

W. F. Watson, vice-president of Globe & Rutgers and American Home Fire, and Mrs. Watson have returned to New York from a Pacific Coast trip. They attended the meeting of the American Association of Insurance General Agents, and then they made some visits in the Pacific Northwest. They spent several days with C. F. Zender, Nashville general agent, and Mrs. Zender.

Mrs. Katherine Jennings Miller, who operates the Jennings agency at Anthony, Kan., established by her late father over 50 years ago, is being mentioned for president of the national American Legion Auxiliary which meets this fall. Mrs. Miller, a national officer and committee woman for some years, received the endorsement of the Kansas auxiliary last week.

Vice-president **A. R. Phillips** of the Great American has bought a summer home in Virginia and he and his family have gone there for a month's vacation.

A luncheon in honor of **A. D. Smith**, pioneer local agent of Birmingham, Ala., was held on his 85th birthday. Mr. Smith has been in the insurance business for more than 50 years. Prior to that time he was president of Howard College of Birmingham for a few years.

Despite his age, Mr. Smith is active each day in the affairs of his agency,

Smith, Hamilton & Smith. Two sons are also prominent in the insurance world; Albert L. Smith has been Alabama general agent of Jefferson Standard Life for more than 25 years and Mell Smith, formerly in the local agency business in Birmingham, is manager of the national fire insurance division of the Home Owners Loan Corporation.

Godchaux & Mayer, prominent New Orleans general agency, is celebrating its 25th anniversary. Officers are H. S. Mayer, president; R. M. Pons and L. E. Vauthier, vice-presidents, and L. A. Albersstadt, secretary-treasurer.

DEATHS

Harold D. Haupt, president of Reinsurance Underwriters, managers American Reserve and General Fire, died at his home in San Francisco Sunday. He was one of the youngest executives in the city's insurance fraternity. He is survived by his widow and son. Funeral services were held July 5.

Charles Reppa, secretary and treasurer of Mount & Rilling, one of the old Brooklyn agencies, died last week after an illness of several months. He had been in the business since 1907, when he entered the service of the Continental. Later he was with the North British and about eight years ago entered the local business in Brooklyn. He had been president of the Brooklyn Insurance Agents Association.

A. C. Harrod, manager of the Western Adjustment office at Lima, O., died

of peritonitis at the age of 46. Mr. Harrod joined Western Adjustment in 1922, working at the Columbus office. From there he went to Dayton, O., and then to the management of the Lima, O., office when it was opened.

At Minneapolis burial rites were conducted July 5 for **Walter L. Badger**, head of the Badger-Pray Agency. He was 71 and father of Lester Badger, secretary to Gov. Stassen of Minnesota.

L. E. Schweer, former fieldman for Automobile of Hartford in Ohio, died this week. He started as a young man with the rating bureau office at Cincinnati; late conducting his own agency and, for many years, was a field man for the Automobile of Hartford. He has been retired for 10 years. His brother is L. J. Schweer, superintendent of the Cincinnati office of the Ohio Inspection Bureau office and his nephew, J. F. Schweer, is secretary of the Cincinnati Fire Underwriters Association.

Thomas Hanley, 71, for many years a local agent at Portage, Wis., died there following a stroke.

D. W. Rowe, 76, of the Rowe & Son agency, McAllen, Tex., died there.

A. L. LaCombe, 66, who had conducted the LaComber Insurance Agency, Opelousas, La., for 48 years, died at his summer home in Pass Christian, Miss.

CONNECTION WANTED—College man, thirty-three, with twelve years experience in fire and casualty desires connection with established stock agency with view of becoming partner or purchasing interest on time payment. Qualified both inside and outside work.
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The NATIONAL UNDERWRITER

July 6, 1939

CASUALTY AND SURETY SECTION

Page Thirteen

Outlawed Jalopies Reappear South, Increasing Hazard

Compulsory Inspection of Automobiles Causes Defectives to Move Elsewhere

NEW YORK—Compulsory inspections of all motor vehicles, while proving beneficial in states which have adopted it, is being watched for its effect on nearby states as shown by collision and property damage claims. Some officials say that as a result of cars being ruled off the roads of one state because they can no longer be fixed up to pass inspection, they are taken to other states and sold at low prices to the low-income, and frequently irresponsible, elements in the population and add definitely to the hazard of other drivers in those states.

This has been found to be particularly true in some of the southern states along the Atlantic coast. Automobiles which can no longer pass the New Jersey inspection are bought up for slightly more than their junk prices by speculators, loaded on coastwise freighters and shipped to southern ports.

The effect of the New Jersey inspection law is particularly noticeable because it is the principal large eastern state having a fairly drastic inspection law and, second, it is on the coast, making it practicable to use the low priced ocean steamship mode of transportation.

New Cars More Vulnerable

The situation is aggravated by the fact that as insured drivers trade in their old cars and acquire new models the latter are more vulnerable to damage than the earlier ones. Insurance officials complain that each new advance in automobile design puts cars on the road which are increasingly expensive to repair in case of even a minor crash. More and more automobiles have been recessing headlights into the front fenders while practically all radiator grilles are now so close to the front bumper that they are involved in almost any type of front-end collision. One underwriting executive said he would be in favor of offering a rate credit on collision insurance where the owner equipped his car with stout bumper guards front and rear. The ordinary bumper, he explained, unless it happens to hit another car having a bumper the same height, will probably ride over or under the other car's bumper.

Cost of Repairs Boosted

On a number of current cars the tail-light and stoplight are recessed into the rear fenders. In case of a minor rear end collision the repair bill is far greater than used to be the case, because of the more intricate repair job necessary. The

(CONTINUED ON PAGE 21)

Special Newsboy Policy for Papers

Publishers Buy Coverage to Protect Liability Under "Contractor" Setup

NEW YORK—Because many newspaper publishers conduct their newsboy operations on an independent contractor rather than an employee basis, a special insurance policy has been developed in collaboration with the American Newspaper Publishers Association which gives the publisher protection that would not be had under workmen's compensation because of the newsboys not being employees. The new policy is not a substitute for standard workmen's compensation and public liability policies. The compensation insurance provides protection in the event the newsboy or other independent distributor brings a claim as an employee. It provides such coverage as is not given under the compensation policy. Also, the policy covers any suit by a newsboy or independent distributor which is not covered by any other insurance.

One aim of the policy is to eliminate use of special endorsements on workmen's compensation policies and also reimbursement agreements between publishers and insurance carriers in connection with claims from independent contractors.

Optional Extra Benefit

As an extra optional feature it is possible to provide coverage which will pay the employer in the event of death or bodily injury to newsboys and other distributors on an independent contractor basis, the aim being to enable the employer to turn the money over to the injured boy or, in the case of death, to his family.

The "A" coverage, dealing with legal liability, contracts to pay on behalf of the insured all sums which he shall become obligated to pay by reason of (a) liability imposed upon him by law for damages, including damages for loss of services and (b) liability imposed upon him by law, other than for violation of statute or ordinance, against which he is not otherwise indemnified because of bodily injury, including death at any time resulting therefrom, caused by accident and sustained by any person while engaged as an independent contractor or as an employee of an independent contractor in the business operations of the named insured.

The rates for the "A" coverage are 40 cents per boy per year for the first 100 boys; 30 cents per boy for the next 400; 20 cents per boy for the next 500; 15 cents per boy for the next 1,000; 10 cents for the next 3,000; and 5 cents per boy for all over 5,000.

For the "B" optional coverage the rate is \$1 per boy per year. Benefits provide for weekly payments of from \$3 to \$5 for up to 400 weeks and surgical benefits of \$500 for each person.

So far the only company which has written business on the new policy is the Liberty Mutual but it is understood that the stock companies are working on a form to fill the same needs.

Pink Amplifies the Auto Rate Subject

Company Organizations Send Out Instructions to Their Members

NEW YORK—At the suggestion of the insurance department, the National Bureau of Casualty & Surety Underwriters and the Mutual Casualty Rating Bureau circulated among their respective company members a statement by Superintendent Pink regarding the intended new rates for bodily injury and property damage hazards in connection with private passenger automobile risks in this state.

While the new rates, predicated upon experience filed by carriers as of June 1, and now being tabulated and analyzed, will not be issued until Sept. 1, they will be retroactive to July 1. As the matter of the intended rates was widely advertised sometime ago, the insuring public is well aware of the move, and naturally anxious to get the benefit of what is confidently anticipated will prove lower rates.

The purpose of the latest statement by the department is to warn against any attempted evasion of existing rules governing the conduct of the business. Policies issued prior to July 1, it is clearly set forth, must be continued in force or cancellation, if directed by the assured, will have to be upon a short rate basis. Any attempted evasion of the regulation either by companies or agents, Superintendent Pink warns, will be severely dealt with. Companies are required to keep a record of all policies written prior to July 1, and later offered for cancellation, and the department plans a check-up to determine the extent and the reasons for such procedure.

REJECT PROPOSAL IN WEST

At a recent meeting of the West Coast Automobile Conference in Del Monte, Cal., the proposal that all non-bureau companies adhere to a rate level 30 percent below manual for class A cars and 35 percent off for class A-1 was rejected. Those companies that had been charging 32½ percent off for class A and 36¼ percent off for class A-1 felt if they should increase rates, even slightly, competitors might say that it was an indication of fear.

The subject of acquisition cost was also discussed at Del Monte and the conference decided against seeking to assume jurisdiction of commissions.

POSTPONE ACTION IN OKLAHOMA

OKLAHOMA CITY—Final action on a new automobile liability rate schedule has been postponed by the state insurance board pending compilation of experience that will include statistics covering 1938. The board had previously made an order reducing such rates from 20 to 25 percent on cars used strictly for pleasure or when used home to office driving. The reduction did not apply to cars used in business lines. Companies were accorded the privilege of appealing from the rates fixed, but the board rescinded its action so that the 1938 experience could be included in the study for a rate revision. New rates will be

"Consultants" Make Extra Work for Home Offices

Reports Are Voluminous and May Lead to Agents Losing Business

NEW YORK—Operations of insurance consultants are expanding to such proportions as to entail quite a little extra work for home offices. Also, since there is frequently an attempt to switch business, there is a competitive angle for agents and brokers to consider. The better insurance consultants are really experts, although not so near being omniscient as might be inferred from the prestige they have succeeded in building up with some big clients.

The extra work for the home offices comes about through the extremely voluminous reports that the consultant submits as the result of his insurance survey. Some officials believe that these reports are needlessly exhaustive and that the essential changes could be outlined in a small fraction of the space taken up by the final report. They feel that much of the infinite detail with which these reports are strung out is due less to a desire for scientific thoroughness than to the necessity of impressing the client that he is getting his money's worth for the large fee he pays, sometimes running to several thousand dollars. Also, part of the sales technique is to get the insured alarmed about alleged flaws in his coverage.

When discussions are all over, after having consumed an inordinate amount of time, it is usually found that the relatively few essential changes are made and the rest are found to be unnecessary or else already covered by the company as a matter of custom.

May Switch to Mutuals

The competitive angle lies in the risk that the consultant will recommend a shift to a mutual carrier, self-insurance, or some brokerage firm with which he may have an understanding. Ordinarily a consultant professes to have no brokerage connection and it is only in some cases that such connection is actually suspected. Naturally, when a consultant gets through making an extensive—and expensive—survey of an insured's situation the agent or broker who handled the case is in a pretty bad light for not having seen for himself what should have been done. He may argue that most or perhaps all of the suggested changes are non-essential but in any case he is on the defensive and is likely to be suspected of coloring his story to support his contentions.

announced following final compilation of the rate structures and experience. Some announcement probably will be made within 30 days.

Concern Exists Over U. S. Anti-Trust Bill

Insurance Men Fear Insurance May Be Ruled to Be Commerce

NEW YORK—Possibility that the New Deal's efforts to bring about federal supervision of insurance may result in reversal of the U. S. Supreme Court decision that insurance is not commerce gives insurance men more than an academic interest in the bill drastically strengthening the anti-trust law penalties which Senator O'Mahoney, chairman of the temporary national economic committee, is urging for immediate passage.

O'Mahoney's bill would make liable every officer or director taking part in any action subsequently held to be an anti-trust violation. Such an official would be liable to a verdict up to twice his compensation for each month during which there was a violation. Also the corporation itself would have to forfeit twice its net income for those months. Since a violation might be held to have been going on for many years, possibilities under such a bill would be ruinous.

O'Mahoney's attitude as shown in this bill is of particular interest since he is chairman of the committee which is investigating insurance. The bill contrasts sharply with his benign utterances as to the aims of his committee toward insurance and other businesses on which it has held hearings.

Fear of O'Mahoney's bill is that the anti-trust laws are so vague that it is difficult for even the most meticulous to know whether they are violating them.

Fight Indiana Liberty Suits

MILWAUKEE—Suits have been filed against Milwaukee county policyholders of the Indiana Liberty Mutual to collect assessments levied in 1933 against all Wisconsin policyholders. The assessments vary from \$7.20 to \$1,574. The defendants claim that the mutual did not have a Wisconsin license when the special assessment was levied in 1933 and that it has been dissolved since 1934. Liability for payment is denied on these grounds, and the statute of limitations also is invoked. The mutual had about 3,000 members in Wisconsin in 1932 when the Wisconsin department ordered it to cease operations. Commissioner Mortensen recently characterized the assessment as "illegal, discriminatory and inequitable."

Allstate Loses Suit on Technicality

INDIANAPOLIS — A technicality was responsible for dismissal in the federal district court at Indianapolis of the suit brought by the Allstate of Chicago to restrain Commissioner Newbauer from enforcing his ruling issued on May 15 which fixed a minimum for automobile personal injury and property damage rates on passenger cars.

The commissioner's order had put minimum rates at a level 20 percent under the then existing scale of the bureau. Allstate had been charging rates 30 percent below bureau scale, and it sought to restrain the commissioner from requiring that its rates be raised 14 2/7 percent to comply with his order.

It was held that Allstate had failed to prove to the court's satisfaction that the suit involved \$3,000 or more as required in order to give it federal jurisdiction.

Real Issue Still Undecided

It is said that the decision, since it was based on a technicality of law, leaves the real issue undecided, as it does not pass on the extent of the commissioner's authority under Indiana rate regulation law.

Allstate might do one of four things. It might petition for a rehearing, drop the present suit and go into the state court, appeal to the United States Supreme Court, or violate the commissioner's order and put the burden upon the state insurance department to bring action against the company.

Judges were J. E. Major and W. E. Treanor of the seventh circuit court of appeals at Chicago and R. C. Baltzell of the district court at Indianapolis. Representing the plaintiff were Hugo Sonnenschein, H. M. Lautmann and H. S. Moser of Chicago and Gilliom & Gilliom of Indianapolis.

STATE FARM MUTUAL FILES SUIT

NEW ORLEANS—Seeking to operate in Louisiana under their own rates, State Farm Mutual Co. of Illinois asked for a temporary injunction from Federal Judge Borah restraining the Louisiana Casualty and Surety Rating commission from enforcing the state's rates. A hearing will be held later in July. The Illinois company claims that they entered business in Louisiana as a nonprofit organization on April 9, 1935 and that in April 1937 the state commission adopted rates recommended by the National Bureau of Casualty and Surety Underwriters. The plaintiffs protested and received permission to operate on their own rates on a deviation clause. The

Made General Solicitor of the Claims Bureau



BARENT TEN EYCK

Barent Ten Eyck, who becomes general solicitor of the claims bureau of the Association of Casualty & Surety Executives, is now assistant district attorney of New York county in charge of its fraud bureau. He will take over his new duties in August.

company charges that adoption of the standard rate would be injurious to their business and would not allow them to give their clients substantial savings in rate payments.

Desires to Take Over the National Accident

LINCOLN, NEB.—Insurance Director Smrha has secured from the district court an order on the National Accident of Lincoln to show cause by July 11 why he should not take it over and liquidate its affairs. The company has no permit to do business for the current year, due to the fact that after it had exhausted its powers of assessment it was unable to pay off \$12,000 of unpaid claims. Mr. Smrha says that further operation of the company would be hazardous to the policyholders, creditors and the public. The company had issued in former years a number of non-cancellable policies, and legal action is necessary in order to se-

Ten Eyck Successor to Late F. M. Parrish

Takes Over Fraud Bureau of Casualty & Surety Executives

NEW YORK—Barent Ten Eyck, assistant district attorney of New York county in charge of the frauds bureau, has been appointed general solicitor of the claims bureau of the Association of Casualty & Surety Executives. He succeeds the late F. M. Parrish, a former special assistant to the United States attorney general.

Mr. Ten Eyck is well equipped for his new duties both by training and experience. A son of Jay Ten Eyck, distinguished New Jersey lawyer and for many years presiding judge of the Essex county court of common pleas, he received his early education in the public schools of Newark and at Newark Academy. Mr. Ten Eyck entered Columbia law school, received his degree in 1928, was admitted to the bar early in 1929. He was associated until 1931 with the law firm of Satterlee & Canfield, of New York. In 1931 he became assistant United States attorney under G. Z. Medalie, serving as personal assistant to T. E. Dewey, who was then chief assistant United States attorney. Mr. Ten Eyck, having served through the end of Mr. Medalie's term, with Mr. Dewey when he was United States attorney, and under United States Attorney Conboy for a brief time, was appointed assistant corporation counsel of New York City in January, 1934. When Mr. Dewey, early in 1935, was made special prosecutor charged with the duty of crushing racketeering and organized crime in New York County, Mr. Ten Eyck became one of his four chief assistants.

When Mr. Dewey was elected district attorney of New York county, Mr. Ten Eyck again was called upon to perform important administrative duties and when the new district attorney took office he made Mr. Ten Eyck chief of the newly created fraud bureau.

cur a division of assets among policyholders in the form of a final dividend. G. L. Waters is president.

L. F. Koppang, secretary of Excess, the casualty reinsurer, has been making a visit to Seattle and the Pacific northwest.

PROMINENT SPEAKERS FOR WEST VIRGINIA LOCAL AGENTS



R. D. WATTS, Beckley
President



B. P. CARTER, Richmond, Va.
General Agent



STUART RAGLAND, Richmond, Va.
Virginia President



A. R. MENARD, New York City
Director B. D. O.

Hook Is Chairman at Bureau Meeting in New York

Interesting Program Features Accident and Health Gathering

RYE, N. Y.—Thomas Hook, manager accident and health department, Standard Accident, was named chairman of the governing committee of the Bureau of Personal Accident & Health Underwriters the last day of the annual meeting in New York. The committee is: Aetna Life, Bankers Indemnity, Connecticut General, Employers Liability, General Accident, Globe Indemnity, Hartford Accident, Maryland Casualty, Ocean Accident and Travelers. Ralph M. Brann continues as secretary-treasurer.

"Current Events of Legislation and Litigation" were discussed by B. M. Anderson, counsel Connecticut General. The legislation of the past year is an indication of public satisfaction with the accident and health business, he said. Recent laws passed in the various states have dealt with minor points, many of them technicalities which have been observed by the companies for some time past.

Finds Three Points Involved

The litigation in disability claims usually involves one of three points, Mr. Anderson said. The question whether the policy was actually in force at the time of the accident is one. In many cases it is found the policy had lapsed a few days prior to the time the claim was made. Another point is whether the loss comes within the terms of the insuring clause. The third cause of trouble is the question whether the loss is excluded from the policy coverage by a specific statement. As a general rule, he said, the federal law is found to be more favorable to the companies than state laws.

A disturbing factor in litigation is the growing tendency of the courts to im-

Auto Insurance Sales Boom in Washington State

SEATTLE—Sales of auto casualty insurance are booming these days in Washington due to the fact that the financial responsibility law that became effective June 1 is getting headline publicity. The authorities are engaging in a program of arrests for traffic violations and the courts are suspending drivers' licenses in wholesale fashion. The fact that those who are convicted of offenses and do not carry insurance must pay penalty rates is publicized and numerous uninsured motorists are getting under cover. Under the Washington law the motorist is not allowed the "one bite" that he gets under some of the statutes.

The sales are increasing despite the fact that the rates have not been lowered in the state. The safe driver reward was never introduced in Washington and the bureau has not filed its most recent changes here. All companies adhere to the same rate level.

pose liability on a company where the assured died because of joint causes of disease and an accident. For example, a man with heart trouble is more likely to die from an injury than a man with a sound heart. Diabetes is another disease which increases the number of fatal injuries. These cases of course occur in the higher age brackets. The courts are usually fair with the company in a case where the insured is injured in a fight which he provoked.

Clause Not Sufficiently Broad

The lesson to be drawn from a review of the litigation as presented by Mr. Anderson is that the exclusion clause in accident and health policies is not broad enough to exclude those claims which are not in accord with the companies' understanding of the contract.

The convention was well attended. Wednesday night, members were taken to the fair where they had the evening to spend as they wished. The annual banquet was held Thursday night, with a floor show.

Among those attending was Vice-president B. A. Page of the Travelers, one of the founders of the bureau.

In his talk on "Cine-Surveillance of Disability Claimants," Charles E. Anstett, superintendent department of inspection, New York Life, described the purpose of using a motion picture camera and technicalities involved.

(CONTINUED ON PAGE 21)

Advantages Shown for Financing Premiums

By WILLIS VAN PELT, Chicago
Promotional Contact Man First Bancredit Co.

A few years ago the railroads of this country were faced with a serious problem. Their revenues were diminishing at an alarming rate and their expenses were increasing at an equally astounding pace. One of the reasons for the decline in earnings was that competition was taking its toll, and this competition was not coming from other railroads. Instead, it was coming from another form of transportation—the bus and the airplane. In order to meet this condition, streamlining and modernization of equipment was begun.

Revenues Are Declining

Today the insurance business finds itself in somewhat the same position. Its revenues are declining while the cost of doing business is certainly not decreasing in the same proportion. If the insurance company, the local agent, and broker will make the same analysis as the railroads did, they will find that one of the most important causes of the decrease in premium income is due to competition. Just as in the case of the railroads, this competition is not another insurance company, another local agent, or another insurance broker. It is another form of selling, viz., selling on the installment plan. In order to meet this problem, today many insurance companies, local agents, and brokers are streamlining and modernizing their selling methods by actively promoting the use of insurance premium financing.

Presenting an Alternative

Successful modern merchandising is giving the purchaser the choice of paying cash for the commodity or service, or extending to him a plan of convenient, easy terms at the time the sale is made. When it is decided what method of payment the customer wishes to use at the time of the sale, there is seldom any collection problem. Streamlining the sale is offering the time price first, thus overcoming the resistance in the mind of the purchaser to a large lump sum payment.

Many other lines of business such as real estate, automobile, electric appliances, and life insurance are using the

installment selling principle with highly gratifying results. Therefore, the salesman for these businesses is the fire and casualty man's biggest competitor. The only way to meet this competition is for him to offer the service he is selling on a comparable basis. Obviously, the use of premium financing is the tool to be used in applying modern merchandising methods to the sale of fire and casualty insurance. It is encouraging to note that the insurance business, selling a vital, protective need, is beginning to realize the tremendous sales advantage in the active promotion of the use of insurance premium financing.

Lesson from Life Insurance

The most outstanding example of the successful use of streamlined selling is to be found in the life insurance field. To illustrate: if a life agent was asked the cost of a \$10,000 20-payment life policy, and, if he answered the question as many fire and casualty agents have been trained, his answer would be, \$4,088.21, for that is exactly what the policy costs at a certain age with a well-known company. In other words, it is the cost of the single premium contract or the cash price. However, the agent has learned that he cannot sell many \$10,000 20-payment policies if he quotes this large cash price figure. Accordingly, he names the installment price first by telling his prospect that he can buy the policy by paying \$250.50 a year for 20 years, the annual premium, or \$127.35 twice a year, the semi-annual premium, or \$56.67 four times a year, the quarterly premium, or only \$21.90 a month, the monthly premium. The life agent has been trained that in order to increase his volume, to meet lively competition, and to get his share of the income dollar, he must offer the installment price first. From a merchandising standpoint it makes no difference whether you are selling a 20-year, a five-year, a three-year or a one-year term contract.

When asked the three year cost of fire and extended coverage on a certain property most agents quote, for example, \$1,000, the cash price. In quoting

(CONTINUED ON PAGE 21)

UPPER PENINSULA MEETING BECOMES NATIONAL CONVENTION



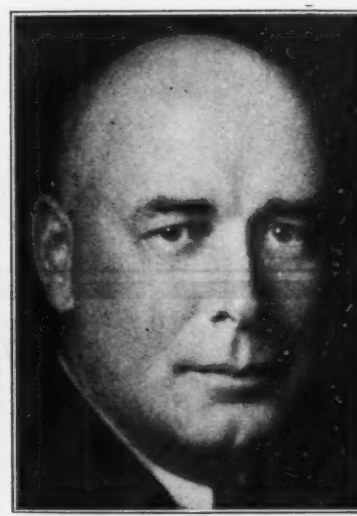
W. B. CALHOUN, Milwaukee



CLYDE B. SMITH, Lansing, Mich.



ALLAN I. WOLFF, Chicago



CHARLES F. LISCOMB, Duluth

The annual meeting of the Upper Peninsula Association of Insurance Agents at Iron River, Mich., July 14-15

promises to be a national affair. An elaborate program has been arranged. Guy M. Cox of Iron River is the lord

high executioner. It is expected that four past presidents of the National Association of Insurance Agents will be

present: W. B. Calhoun, Milwaukee; Allan I. Wolff, Chicago; Clyde B. Smith, Lansing; C. F. Liscomb, Duluth.

CHANGES IN CASUALTY FIELD

Smith Named Special Agent in Southern Illinois

Stuart A. Smith has been appointed by H. N. Douglass, resident manager New Amsterdam Casualty in Chicago, as special agent in the southern part of Illinois below Springfield. He will have his headquarters in that city. H. M. Ohlsund, state agent who headquarters in Chicago, has been handling Mr. Smith's new territory as well as the remainder of the state, and will continue to handle the northern and central portion.

Mr. Smith has had 16 years' casualty experience, most recently for nine years having been special agent of the Maryland Casualty in southern Illinois territory and before that being connected with the Southern Surety and New York Indemnity.

Joins Mid-Town Agency

NEW YORK — The Mid-Town Agency, 347 Madison avenue, New York, has appointed R. C. Cranmer general manager of the casualty and surety department. It is uptown borough

agent of the Massachusetts Bonding. He has been metropolitan underwriter for the Standard Surety & Casualty and later was casualty solicitor for Thomas J. Hogan, Inc.

G. W. Crist in Charge

G. W. Crist, Jr., manager since 1934 of the New York branch of the Fidelity & Deposit and the American Bonding has been placed in charge of that office, which heretofore has been under the active direction of Vice-president W. H. Duff. Mr. Duff, who has long been a prominent figure in metropolitan insurance circles, will be assigned to important new duties with the two companies upon his return from his vacation.

Car & General in Texas

The Texas General Agency of San Antonio, of which J. B. Roark is president, has been appointed general agent of the Car & General and will handle its business in Texas.

Andrew Miller to Des Moines

DES MOINES—Andrew K. Miller, for several years connected with the

Denver branch of the Travelers, has been transferred to Des Moines as field assistant in the casualty department.

Humphrey to Head Office

Jack B. Humphrey of Toronto, who has been with the American Automobile for a number of years, has been taken to the head office in St. Louis to be associated with the claims department.

Evans' Territory Is Enlarged

DERMOTT, ARK.—L. V. Evans, state supervisor Commercial Casualty, announced his territory has been extended by addition of Tennessee.

Court Orders Mutual Taken Over

The common pleas court at Columbus has authorized the Ohio department to take over for rehabilitation the Farmers Union Mutual Casualty of Oberlin.

Edward P. Bond, Jr., president Maryland Casualty, paid a quick visit to Nashville, making the trip to and from Baltimore by air. In Nashville he conferred with Gideon P. Wade, general agent, and with Silliman Evans, publisher of the Nashville "Tennessean," who is chairman of the board of the Maryland Casualty.

COMPENSATION

Nearly Pass Review Measure

LANSING, MICH.—The bill passed by the Michigan legislature permitting the state supreme court to review workmen's compensation awards on the basis of the "weight of evidence" nearly became law in spite of a gubernatorial veto. Governor Dickinson had vetoed the measure on the ground that the court would be forced to review every compensation case on the facts, a task he considered impossible.

J. T. Hammond, senate insurance committee chairman and the bill's sponsor, explained that the governor's view was a misconception. He cited an attorney-general's opinion that the measure was entirely feasible and would work no hardship on the court or on injured workmen. The senate accordingly passed the measure over the veto by considerably over two-thirds majority. The house, however, mustered barely a majority for the bill, insufficient to pass it over the veto.

New Plan for New York

NEW YORK—Having been approved by the insurance department, the plan recommended by the classification and rating committee of the Compensation Insurance Rating Board for treating a county and its political subdivisions as a unit for experience rating purposes becomes effective in New York State Sept. 1, both as to new and renewal business.

Pennsylvania Board Appointed

HARRISBURG, PA.—D. G. Murphy, Philadelphia, has been named chairman of a new workmen's compensation board for Pennsylvania by Gov. James. Other members of the board are W. M. Jacoby, Pittsburgh, and L. G. Knoll, Scranton. Jacoby formerly was publisher "Sun-Telegraph," a Pittsburgh daily newspaper. Both the other board members are attorneys. The board will replace a compensation board appointed by former Governor Earle.

Retrospective Rating in Effect

ST. PAUL — Retrospective rating on compensation insurance went into effect in Minnesota July 1 on both old and new business. Although it applies to premiums as low as \$300, it is not expected to interest many small policyholders.

Asks Ruling on Nebraska Court

LINCOLN, NEB. — Attorney-General Johnson has asked the supreme court to rule that the state workmen compensation court is not a court but an administrative agency, whose decisions do not have the legal sanctity attached to court holdings. He also attacks the validity of a law that assumes to waive the immunity of the state so that it may be sued by employees for compensation.

Plans to Write Compensation

The Ohio Casualty has filed with the Ohio secretary of state an amendment to its charter which authorizes it to write workmen's compensation insurance in states other than Ohio.

A committee has been named by Governor O'Connor of Maryland to study the operations of the State Accident Fund.

WANTED

Lady stenographer with experience in auto and other casualty insurance policy writing for permanent position.
GALSTER INSURANCE AGENCY
General Agents
Petoskey, Michigan

AS DEEPLY ROOTED

and

AS STURDY

as an OAK

established 1897

Continental
CASUALTY COMPANY
CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL ASSURANCE COMPANY



"Fix me up on this list, please *I'm wiring the house myself*"

CUSTOMERS like this make many interesting discoveries about electricity which keep your fuse department busy and the Fire Department on the run. They pay no attention to local laws or the provisions of insurance policies—and they and their families live in cheerful ignorance of the imminent danger of fire and sudden death. Their amateur wiring in the bathroom makes the tub a potential electric chair. But they certainly do eliminate the middleman in the electrical field—as far as possible. Fortunately, intelligent advertising, education via safety campaigns, and good common sense have made most people realize that the proper wiring of even a modest home is a job for the skilled electrical contractor. And when they pay his bill, they know it is a long range guarantee of economy, reliability, and safety.

When the electrical contractor buys

insurance from the experienced agent or broker of a stock insurance company, he does not say "\$50 worth of insurance, please." He asks for and gets the advice and full services of an expert purchasing agent in the complex insurance field, like himself an expert middleman. No worries about uncovered risks that might wreck a business.

* * *

Because we believe so thoroughly in the services of an expert middleman whether wholesaler, electrical contractor, insurance agent or broker, we refuse to accept business direct because it is not in the interest of the Company or the assured to do so. When you buy National Surety Fidelity Bonds, Surety Bonds, Burglary or Forgery Insurance through your local insurance agent or broker, you deal with a customer and friend who is a fellow member and supporter of the American Business System.

• This is an advertisement of the National Surety Corporation which appeared in *Electrical Contracting*, a leading publication in the electrical field. It was directed to the independent business men in the electrical field in your city.

This advertisement has also appeared in a long list of banking and financial publications. It is an effective sales help to our agents and another proof of our belief in and support of the American Agency System as a part of the American Business System.

NATIONAL SURETY CORPORATION

VINCENT CULLEN, President

ACCIDENT AND HEALTH

Kempf Is New President of Milwaukee Association

MILWAUKEE—W. A. Kempf, Old Line Life, was elected president of the Milwaukee Accident & Health Association at the annual meeting. E. J. Malone, Time, was named vice-president; Leo E. Packard, Loyal Protective, secretary, and Albert Veitenhaus of Chris. Schroeder & Son agency, treasurer. Directors are C. E. Furer, Aetna Casualty, retiring president; E. H. ("Count") Mueller, Pacific Mutual; R. L. Paddock, Time; T. E. Barton, Jr., New Amsterdam Casualty; James W. Smith, Washington National; Albert Mielenz, Aetna Life, and H. O. Hegna, National Guardian.

Reports On Meeting

C. E. Dalrymple, Preferred Accident, who was elected second vice-president of the National association at the New York convention, reported on that meeting.

President Kempf appointed C. E. Thorning, Pacific Mutual, chairman of the committee arranging for the annual

field day at Tuckaway Country Club Aug. 29. Plans for the fall program were discussed.

Provident Expands in Chicago

The Provident Life & Accident has expanded its offices in the Insurance Exchange building, Chicago, and is now located at Room A-2044 in a 50 percent larger space. Since Don Compton became manager a year ago, the office has shown a steady growth.

Boston Claim Men Hold Outing

BOSTON—The Boston Life & Accident Claim Association held its annual summer outing at Swampscott, Mass., with a lobster dinner. President Peter E. Tumblety, Columbian National Life, was toastmaster and George R. Bacon, Massachusetts Accident, was chairman of the general committee.

Receiver for N. J. Association

NEWARK — Vice-chancellor Berry has appointed R. V. Stein of Elizabeth, N. J., receiver for the United Workers Sick & Death Benefit Fund. The ac-

tion was brought by Attorney-General Wilentz, who charged the association was not licensed in New Jersey. The association, which is a "not for profit" organization, admitted that it was "actuarially insolvent." It had a number of offices throughout New Jersey and about 2,000 members.

Ohio Referendum Is Opposed

The Ohio Association of Insurance Agents has asked its members not to sign a referendum petition on the new law which provides for regulation of hospitalization associations. The law becomes effective July 12. The association says that it supported the bill because it believes that the hospitalization associations have become so widespread in their operations that some regulation is necessary.

The Federal Life & Casualty has opened an office at 870 Broad street, Newark, for hospitalization, health and accident insurance.

SURETY

M. W. Lewis Honor Guest at Los Angeles Surety Luncheon

LOS ANGELES—Martin W. Lewis, president Towner Rating Bureau, was guest of honor at a luncheon of the Surety Underwriters Association of Southern California. About 50 surety men were on hand to greet him.

Mr. Lewis told of the increase in the personnel of the bureau to give more adequate service, the new streamlined manual and further streamlining that may be expected. He said that in addition to the bank survey recently completed on banks of less than \$5,000,000, one is in progress on banks of more than \$5,000,000 and soon will be completed. He reviewed the three reductions in four years on blanket bond rates, averaging 40 percent, and the drop of contractors bond premiums. He said the competition of some of the non-bureau companies is irritating, but feels it does not really hurt. He expressed his pleasure over the cooperation of coast companies and offices and asked them to continue this constructive cooperation.

Upheld on License Ruling

SAN FRANCISCO—California supreme court has upheld former Insurance Commissioner Carpenter's refusal to grant McDonough Bros., bail bond brokers, a license.

Judgment for \$250,000 Is Upheld

The eighth circuit court of appeals, sitting in St. Louis, upheld a verdict of \$250,000 and interest in the case of Andrew Jean Stormfultz, 35-year-old Kansas Citian, against the Title Guaranty & Surety and the American Surety. Stormfultz sued his father, Luther J. Stormfultz and the two sureties in 1930, charging his father concealed part of the estate of young Stormfultz' maternal grandfather, T. W. Ballew. The surety companies had bonded the guardianship. Original judgment for \$397,676 against the two companies was reduced to \$250,000, the amount of their bonds. The son had secured a total judgment of \$435,083.

See 30% of Assured in Both Class A. A-1

Some of the companies, in seeking to determine the effect of the new automobile personal liability and property damage rating setup, estimate that about 30 percent of the assured will fall into class A-1, about 30 percent in class A and the balance in other classes. They think that about 23 percent properly belong in class A-1, but that another 7 percent will be "chiseled" into that category.

ASSOCIATIONS

Contractual Liability Form

Interesting Explanation of This Coverage Given Before Detroit Casualty Underwriters

DETROIT—The recent organization of the Michigan Casualty Underwriters Association has been justified in the minds of its charter members, with H. C. Hollister, Aetna Casualty, as president, by the success of the first dinner business meeting. This association is another instance of the intensive cooperation of the stock companies in mutual support and exchange of underwriting and selling ideas. The 35 members represent all the regular stock companies operating in Michigan.

It will, at least for the present, confine programs to speakers selected from the membership. The speaker for this initial conference was W. A. Povenz, Aetna Casualty, recently promoted to chief of the underwriting force on the advancement of Harry Crowder as assistant to John F. Horton, branch manager.

Contractual Liability

He spoke on "Contractual Liability," a coverage that is little understood by agents generally and even by many minor underwriters.

The "hold harmless" provision in many leases and sales contracts isn't the least bit tricky, although many lesses, retailers, contractors and subcontractors sometimes think so, particularly when they fail to notice the provision in the lease or contract and, if they do, to realize its effect in the event of injury or consequential illness to a member of the public or a customer.

As Mr. Povenz pointed out, retail purchasers of any commodity have to contend with a variety of claims for indemnification resulting usually in costly litigation and in heavy awards by "claim conscious" juries. The "5 and 10's" and the department stores, for instance, are on the spot all the time in every unit of their merchandising so much so that they insist on a "hold harmless" provision in their sales contracts. Then there is the building contractor who must hold harmless the owner and in turn he binds his sub-contractors. As a rule, the law holds someone liable in cases of public liability but many courts have ruled, Mr. Povenz said, that the retailer is relieved of liability under the terms of a hold harmless provision in the lease or the contract, as the case may be.

Mr. Povenz stressed his point that agents are not servicing their mercantile clients by neglecting to inform themselves on this tremendously important class of insurance and, in turn, presenting it to their clients.

Nebraska Seeks to Liquidate First American, a Mutual

LINCOLN, NEB.—The First American of Lincoln has been ordered by the district court, in an action brought by the insurance department, to show cause by Sept. 8 why it should not be liquidated. It is a mutual, selling health and accident, and at one time life insurance. Six months ago it was found impaired \$29,297. It was given 90 days in which to make this good, but was unable to do so.

The company has not sold any policies for the last three years, and has no permit to sell in the state. It has surplus notes of \$14,352, advances made by directors, and the court will be asked to determine their status with relation to assets. The company is enjoined from disposing of any assets pending disposition of the case. Guy C. Patton is president and treasurer, B. C. Barnes secretary, and E. L. Hermanson assistant secretary.

Look at the Security Behind AMICO Reserves

LIABILITIES	ASSETS
Reserve for losses not yet due \$3,500,006.09	Cash in banks \$3,500,006.09
Reserve for unearned premiums \$1,823,423.00	Cash in banks \$ 435,873.79
	U. S. Gov't. bonds . . 1,387,549.21
	\$1,823,423.00
Reserve for taxes, expenses and dividends \$ 918,200.29	U. S. Gov't. bonds . . \$ 632,062.13
	Premiums in transmission 286,138.16
	\$ 918,200.29
Surplus to policyholders and voluntary reserves \$2,167,463.14	Premiums in transmission \$ 211,339.29
\$8,409,092.52	Other bonds and other assets 1,956,123.85
	\$2,167,463.14
	\$8,409,092.52

This arrangement of AMICO's statement for December 31, 1938, demonstrates the highly liquid condition of AMICO'S assets. This security coupled with the coast-to-coast claim service and the substantial savings to policyholders which this company offers is the reason why AMICO representatives have increased their volume from year to year through good times and bad.

American Motorists Insurance Company

JAMES S. KEMPER, President

Sheridan at Lawrence

Chicago, U. S. A.

You Can't Fool Me ON INSURANCE



New Ways to Sell Insurance

Employers' Group national advertising—to 1,500,000 home owners a month—develops prospects for agents. And our monthly magazine "The Employers' Pioneer" shows how to convert those prospects into assureds. Write to our Publicity Dept. for a free copy of the latest issue.



It's the Woman Who Buys and Buys and Buys

Perhaps you agents and brokers honestly believe that women never think about insurance. Yet we buy practically everything for the home—try to get along on a budget and at the same time have a home that our husbands can brag about. *Imagine how we feel* when we find that our hard work isn't properly insured and our husbands offer such silly excuses as "Too busy" or "Never heard of such a policy" or "Can't be bothered with insurance salesmen."



An Employers' Group advertisement solved my problem. It told me to go to an Employers' Group agent and find out everything about insurance. It suggested that I let the agent make an analysis of all my needs and a complete protection plan to cover them.

A Good Profitable Idea

Now, I buy the insurance for our home. *And from an Employers' agent.* I've bought his "protection plan" from start to finish and it's a great feeling to know that my home is safe at last.



The EMPLOYERS' GROUP

110 MILK STREET, BOSTON, MASSACHUSETTS



NEWS OF THE CASUALTY COMPANIES

Report Is Made on Chicago Motor Club

The Illinois department has reported on its examination of the Chicago Motor Club Inter-Insurance Exchange as of Dec. 31. It writes full cover automobile insurance. Its assets were \$3,957,851, surplus \$1,038,689. The report says that the exchange is under experienced management and is in sound financial condition. An analysis of the underwriting operations indicates a favorable loss ratio and the operating expenses, the report declares, have been moderate. The reduction in surplus in 1937, it is stated, was principally due to the change in method in computing the unearned premium and liability loss reserve as prescribed by the new Illinois insurance code.

It is licensed in Illinois and Indiana. Full manual rates are charged for all coverages with an additional charge of 25 cents per \$100 for valued form theft coverage. It issues only one policy form. The premiums last year were \$2,833,068, the largest being liability, \$1,345,097; next, collision, \$588,779; then property damage, \$457,965, followed by theft, \$263,235. The fire was \$86,911; windstorm, \$19,402. Miscellaneous net premiums were \$71,589. The total income was \$3,001,907. The losses were \$860,058 and adjustment expense \$212,654. The liability losses were \$389,463; collision, \$292,325; property damage, \$102,667. The claim reserve was \$1,096,142, and premium reserve, \$1,407,573. The total underwriting losses and expenses were \$2,163,583, resulting in gain from underwriting last year \$501,567. The loss from investments was \$12,861.

The percentage of losses incurred to premium earned is 31.16 and the percent of loss adjustment expenses in-

curred to premiums earned 7.9, underwriting expenses incurred to premiums earned 42.4, investment expenses incurred to gross interest and rent earned 35.45, percent of total losses and expenses incurred and dividends allowed to total income earned 96.89.

Control Goes to Kansas City

T. W. Garrett and Associates Buy Chief Interest in the Company Located in Cedar Rapids

KANSAS CITY, MO.—Control of the Mid-America Casualty of Cedar Rapids has been purchased by T. W. Garrett, Jr., of this city. He is head of the general agency bearing his name. The home office will remain in Cedar Rapids but the executive office will be at Kansas City. Mr. Garrett becomes chairman of the board and the chief executive officer. H. K. Nehls is president; G. W. Corey, vice-president; I. E. Rogers, treasurer, and H. J. Chadima, secretary, all of Cedar Rapids. The Mid-America was organized in 1937 by Mr. Nehls, who is well known in Iowa automobile and casualty circles. Its capital is \$200,000. It is the intention of the Garrett people to increase this to \$1,000,000. Application will be made to enter 12 additional states. It is now operating only in Iowa.

Personnel of Board

Associated with Mr. Garrett in acquiring the company are J. F. Hudson, Kansas City; W. E. Dean and L. W. Franks of San Antonio, and G. E. Wainscott of Atchison, Kan. These men are all made members of the board. Dr. A. L. Stockwell of Kansas City is made territorial medical director. B. B.

CASUALTY INSURANCE FACULTY



The faculty of the school for casualty agents conducted by the Travelers at its head office is regarded as very successful. The three distinguished pro-

fessors from left to right are John H. Egloff, C. E. Blake and H. D. Sherwood, all affiliated with the agency field service department.

Hickenlooper of Cedar Rapids, well known attorney, is general counsel. He is Iowa lieutenant governor.

Mr. Garrett becomes chairman of the board of the Mid-America Casualty. Mr. Hudson is connected with the Inter-State Securities Company. The Garrett General Agency was established 12 years ago and has had a rapid growth. It is located in the City Bank building.

New York Casualty Directors

T. H. Roulston and C. D. Waters have been elected directors of the New York Casualty. Mr. Roulston is president of the T. H. Roulston Co. of Brooklyn, and a director of both the Kings County and the Brooklyn Trust Companies of that city. He is likewise a trustee of the Dime Savings Bank. In addition to the presidency of the C. J. Tagliabue Manufacturing Co., of Brooklyn, Mr. Waters is president of the Brooklyn chamber of commerce, chairman of the East Brooklyn Savings Bank and a director of the Brooklyn-Manhattan Transit Co.

O'Gorman Made Counsel

T. J. O'Gorman, who has been chief trial counsel in the claim division of the Fidelity & Casualty, has been appointed counsel for not only the F. & C. but the fire companies in the America Fore group. Mr. O'Gorman, after graduating from Rutgers College and Fordham University Law School, entered the legal department of the London Guarantee & Accident, and later went to the United States Casualty as trial counsel. He joined the F. & C. as counsel in 1932.

George R. Carey will assist Mr. O'Gorman as associate counsel of the America Fore companies. He was born in 1902 in Jersey City and graduated at St. John's College School of Law. He entered the claim and legal department of the Fidelity & Casualty in 1925 and 10 years later was transferred to the America Fore legal department.

New Name Is Proposed

Some weeks ago there was published a notice of intention to form the Guaranty Casualty. Inasmuch as this conflicts with the names of other companies with similar title, it has now proposed to change the name to the Gotham Casualty. This company is being sponsored by those interested in the Manhattan Mutual Automobile Casualty of New York.

Controversy Develops Over Oregon State Contracts

SALEM, ORE.—Oregon state board of control has received protests from several contractors against provisions in state contracts requiring that workmen's compensation insurance be secured from the state industrial accident commission.

Governor Sprague advised the board

the attorney-general ruled no provision in the contracts was required by law, and stated the practice was long established and would therefore constitute a precedent somewhat difficult to overturn.

Contractors say they can obtain this coverage through private insurers at lower cost. W. E. Pearson, state treasurer claimed it is wrong to require contractors to secure state compensation. Earl Snell, secretary of state, third member of the board, gave the opinion the law must be amended before contractors on state jobs could be insured by private companies. The board took the matter under advisement.

PERSONALS

E. Irving Fiery, manager branch office Royal Indemnity, Chicago, is on a two weeks combined vacation and business trip. After spending a few days in New York, Mr. Fiery is going to his boyhood home at Smithsburg, Md.

Miss Eleanor E. Leatherman, daughter of J. P. Leatherman, general agent Continental Casualty and Continental Assurance at Lansing, Mich., was married to M. D. Porter of Blissfield, Mich. Both are graduates of Michigan State College.

Ray Murphy, assistant manager Association of Casualty & Surety Executives, will speak before the Rochester (N. Y.) Rotary Club July 18 on "The Road to Ruin," discussing dangers of the consumer cooperative movement.

J. E. Callender of Chicago, who has retired as manager of the central department of the Ocean Accident & Guarantee and Columbia Casualty, announces that he does not wish to discontinue his business efforts entirely. Therefore, he intends to conduct an agency in the Ocean Accident office in Chicago and will handle insurance of all kinds.

Edward C. Stone, United States general manager of the Employers Liability group, and Frank Boyle, assistant superintendent of agencies, visited the Los Angeles offices, conferring with W. W. Wittko, resident manager.

J. V. Adams, assistant secretary, liability underwriting department Aetna life and affiliated companies, completed 35 years service and W. F. Heley, manager inland marine loss department, completed 25 years. Mr. Adams before joining the Aetna Life in 1904 as underwriter was connected with the Employers' Liability at Chicago. Mr. Heley joined the Aetna Life in 1914 as claim adjuster at New York and was transferred to the home office in 1920 to organize and manage the inland marine loss department. He was honored at a dinner given him by his associates and a gift was presented to him by Vice-president E. J. Perrin, Jr.

A NEW LIABILITY POLICY



**MOST COMPREHENSIVE FORM
WRITTEN...ALL-IN-ONE...ALL
INCLUSIVE...COUNTRYWIDE
BLANKET PUBLIC LIABILITY
POLICY...COVERS EVERY-
THING BUT AUTOMOBILE AND
AIRCRAFT...**

Great Lakes Casualty Company

BUHL BUILDING • DETROIT • MICHIGAN

Outlawed Jalopies Reappear in South

(CONTINUED FROM PAGE 13)

fact that practically all new cars are now equipped with trunks also boosts the cost of repairs. They extend so close to the rear bumper that even a slight collision will dent them badly. Rear bumper guards are not as effective as they might be. A guard placed in the center, strong enough and high enough to be an appreciable protection, would interfere with the opening of the trunk. A type is made which can be swung out of the trunk's way but these are less substantial than the permanent type.

Advantages of Premium Financing Are Shown

(CONTINUED FROM PAGE 15)

the cash price first he is doing the thing which the successful life agent has learned must never be done. There will be more properties more fully covered if the streamlining method is used as standard and the assured is first told that the cost will be \$400 on delivery or within 20 days from the policy date, \$336 due one year from the policy date, and \$318 two years from the policy date, or if monthly payments are preferred, \$80 down and \$40.67 a month for 24 months. To build up premium volume the benefits and need for coverage must be emphasized while the cost must be minimized. The only way the cost can be minimized is to divide it into easy, convenient installments!

Most of us have been taught that we cannot have our cake and eat it. The principal reason term insurance is bought is to make a saving over the cost for the same coverage written on an annual basis. The principal reason term insurance is not bought, when eligible for term writing, is because of lack of funds to pay the term premium in advance or unwillingness to take the necessary amount out of capital account and thus deplete reserves. The money is worth more invested in the business itself.

Illustration Is Given

Based on an annual cost of \$400 an assured could save \$200 over a three-year period by paying 2½ times the annual rate of \$1,000 in advance. By writing the insurance for a three year term and financing under the annual payment plan, his payments and saving would be as follows:

Cost of 3 Annual Premiums	Cost of An. Finance Payments
	1st year (same as annual)...
1st year...\$ 400.00	2nd year...\$ 336.00
2nd year... 400.00	3rd year... 318.00
3rd year... 400.00	
Total....\$1,200.00	Total....\$1,054.00
—1,054.00	
\$ 146.00	Total saving under finance plan.

This illustrates how an assured can share in the saving without taking out of capital account any more than the cost of an annual premium. Numerous large and substantial industries whose premiums run into many thousands of dollars have availed themselves of this method of conserving working capital. Truly, you can "have your cake and eat it."

Had Phenomenal Growth

During the past three years insurance premium financing has had phenomenal growth. It has been proved that it has a definite place in solving the many problems connected with the insurance business. Progressive agents and brokers, as well as insurance companies, have found that by its continued use, flat cancellations are reduced to a minimum, collection problems are eliminated,

old and valued accounts are retained, and many new ones have been added. Three and five year term policies have been sold where in the past policies were written on an annual basis. Through its use, increased coverages have been sold.

The testing period is past. The day is close at hand when modern merchandising methods will be universally used in the sale of fire and casualty insurance. The insurance man who is not availing himself of this powerful sales weapon is in danger of becoming antiquated. Go modern! Streamline the sale!

Hook Is Chairman at Bureau Meeting

(CONTINUED FROM PAGE 15)

The operator does not contact the claimant but stations himself in view of the claimant's house, preferably in a motor car, and trains his camera on the claimant whenever he appears outside his front door. The pictures usually show the claimant working, or, when off guard, failing to display any impairment such as a limp or tremor; engaging in physical activities which he supposedly is unable to, or in activities which are

harmful to him according to his alleged physical condition.

The picture must disprove what is claimed, and in the majority of cases where the films have been shown in court, the company has won the suit. As the pictures are taken, an assistant to the operator makes a running report, recording the exact circumstances and time of day. Mr. Anstett presented several of his films, telling the stories involved.

Company Liable for Deposit in Banks

LINCOLN, NEB. — Inclusion in bonds written for public treasurers of a provision that the policy will not cover losses resulting from deposit of public funds in banks that later close will not relieve the insurance company of liability therefore says the supreme court in village of Hampton vs. Hartford Accident. The court says that as the law provides that all official bonds shall be obligatory upon the principal and sureties for the faithful discharge of all duties required by law of such principal, constitutes a part of the provisions of such bonds, by construction, and no other provision in the instru-

ment can validly be made to limit the scope of the statutory obligation. It also held that failure of the principal to sign the bond does not relieve the surety because the law says no bond shall be rendered void by reason of any informality or irregularity.

The court also held that the fact that the bond covered a term that had ended and where the village board had certified that the treasurer had accounted for all funds will not help the company any because the facts show that the village funds were all that kept it open, and that the treasurer as managing officer of the bank, knew this fact. The board had also demanded a depository bond, but the court says the treasurer is liable for any loss resulting from his failure to protect the funds.

Open Detroit Claims Office

Markel Service, which writes long haul truck risks throughout the country, has opened a branch claims office at Detroit with George H. Lennon in charge. Mr. Lennon formerly was connected with the Chicago office and has been with Markel Service for a number of years. The new office covers most of the Michigan territory.

Harry Kaplan, a St. Louis agent for 31 years, died of paralysis at his home after an illness of three months.



\$—The American sign \$ is derived from the figure 8, a dollar being originally a Spanish "piece of eight." The two lines through the \$ indicate a contraction.

The return from the premium dollar is proportionately contracted when security and service are sacrificed for price.

Bankers Indemnity Insurance Co.

Newark, New Jersey

of

THE American Insurance Group
Newark New Jersey



Paramount Fire Is in Active Operation

(CONTINUED FROM PAGE 3)

effect of reserves on the capital structure ascertained. This follows the policy which has been pursued by many other companies in their formative stage."

Assurance is given that "agency interests will be fully protected." The statement declares that the Paramount will appoint only agents who are already engaged in the business and who hold membership in local boards. It declares that the management will not permit the company to become a party to any coercion of insurance premiums.

"It is the purpose of the Paramount," the statement continues, "to operate in complete harmony with all interests of the fire insurance business. The officers were instructed to operate the company in complete harmony with the policy of the Home. It will apply for membership in all rating and supervising organizations to which the Home is a member in the territory in which it operates and thus be bound to pay only standard agency commissions."

Will Enter Other States

Inasmuch as New York has licensed the company and the papers have been completed application for admission will be made to other states, probably starting in the central west. At the organization meeting, Owen Murray, who had been president, was made chairman of the board, and chairman of the executive and finance committees. E. E. Murray of Nashville, first vice-president, was made president. Ray A. Thorne of Dallas is continued as executive vice-president and secretary. Byron T. Shutz was elected president; C. S. McComb, general counsel and vice-president, and M. N. Young, treasurer. The capital consists of 2,500 shares of \$100 par common stock, which is sold at \$200, and 50,000 preferred shares at \$1.

Secretary G. H. Patterson of the Mortgage Bankers Association at its executive office in Chicago very emphatically stated this week that the organization had nothing whatever to do officially nor any connection with the Paramount Fire. He stated that the association could not afford to control a company of this character because, if for nothing else than difference of opinion among the members. The fact that prominent members are interested in the Paramount does not bind the Mortgage Bankers Association to it in any way, he said.

The Paramount Fire occupies an office in the Home of New York building at

59 Maiden Lane. It will not write automobile nor inland marine business.

The organizers of the Paramount Fire emphasize the fact that it has no official connection in any way with the Mortgage Bankers Association. Prominent people connected with the organization and high in the ranks of the mortgage bankers field are associated with the company in a prominent way but the organization, as such, did not launch the company and has no official affiliation with it. It is further stated that the appointment of local agents will not be limited to members of the Mortgage Bankers Association.

Educational Work Being Conducted

(CONTINUED FROM PAGE 3)

support he feels it is his duty to contribute.

The educational process, both of agents and assured, is making progress through such organizations as the B. D. O. and through a number of prominent companies, which conduct schools for the proper education of their field men and through them of the local agent. It also is advanced by the intelligent and growing interest taken by such non-underwriting bodies as the National Association of Credit Men, Risk Research Institute, United States Chamber of Commerce, and many state and also local commercial groups. It may and doubtless will take years to bring about the desired recognition of the full worth of what stock insurance is and does, but the progress already achieved in that direction warrants the conviction that such appreciation will come in due course.

State's Answer in Missouri Rate Case

(CONTINUED FROM PAGE 3)

and (2) the express reservations in the decree authorize the court's action in granting the show cause order. (The show cause order, issued by the court May 29, asked the companies to show cause why they should not summarily be charged with return of the entire impounded funds to policyholders at their own expense.)

In the decree, the reservation referred to reads "notwithstanding dismissal of this cause, the court expressly reserves power and authority, and retains jurisdiction . . . to make orders respecting the obligation of the parties, or the fund for payment thereof, and to make further orders in distribution of impounded moneys . . . and to take any action deemed necessary to effectuate the purposes of this decree. Jurisdiction over all persons or parties affected by this decree is reserved for all purposes of this decree."

These reservations, according to Mr. Henson, were sufficient to authorize the court to grant the show cause order.

Unclean Hands Doctrine

In answer to the companies' charge that the department and state have failed to restore the \$700,000 in benefits accruing to them under the decree of settlement, Mr. Henson refers to the unclean hands doctrine.

"When a litigant enters the portals of equity with unclean hands or his hands become unclean while there the court will refuse to interfere in his behalf, to acknowledge his right, or award him any remedy." He adds, significantly, "Nor can the court under these circumstances require a refund of benefits from the innocent party, but the court will leave them as they are."

In conclusion, Mr. Henson made another significant argument: "The sole contention of the plaintiffs is that any

reopening or vacating of the decree must result in reopening the rate controversy. The application of the unclean hands maximum on this record forever bars any hearing of the rate controversy no matter in what form it may ever appear." Mr. Lucas adds: "The entire matter should therefore now be put to an end by the distribution of the fund to the policyholders."

Power of the Court

The decree having been obtained by the perpetration of a fraud on the court by means of corruption and bribery, the court may not only vacate or modify the decree but may operate on the subject matter through a show cause order or by any other processes which it may choose, although the term at which it was entered has now ended, Mr. Lucas argues.

The decree is clearly interlocutory, the superintendent added, and is subject to being vacated, modified, or even ignored in order that equity may reach the only matter now before the court: the disposition of the fund. The reservations made in the decree were sufficient for the court to now reach the very pollution which has been uncovered.

"We submit that the court is fully authorized on the admissions made orally and in writing in this court to now make the show cause order absolute and to make distribution of the funds to the policyholders at the expense of the plaintiffs. It is the policyholders' money. It has never been shown, and now can never be shown, to belong to the plaintiffs, or to anyone else other than the policyholders."

SPECIAL MASTER

KANSAS CITY—Appointment of a special master to investigate exhaustively the Missouri rate case compromise and the steps by which it was effected was made July 3 by the three-judge federal court here which approved the compromise Feb. 1, 1936. P. V. Barnett, Kansas City lawyer, was named the special master. He was instructed to establish, if possible, responsibility for the various phases of the compromise, one of which is, of course, the alleged bribery of T. J. Pendergast, dethroned political boss, and R. E. O'Malley, former Missouri insurance superintendent.

He was directed to look into the question of whether officials of the 137 fire companies involved in the compromise had any knowledge that C. R. Street and A. L. McCormack were effecting the compromise settlement by such methods.

The court made clear in its order that the burden of proof of any wrongful acts is on the insurance department of Missouri, or on others intervening in the phase of the compromise settlement that has developed since the O'Malley-Pendergast revelations. The court indicated it would not consider itself necessarily bound by Mr. Barnett's report. The report is to be made not later than Oct. 1, 1939.

Answer by Companies

Earlier in the day the companies had filed with the court a brief memorandum answering Superintendent Lucas, who, on June 30, filed with the court arguments supporting his contentions that (1) the state should be allowed to keep the benefits accruing to it under the Feb. 1, 1936, decree, (2) that the decree is interlocutory and can therefore be modified, voided, or ignored, (3) that the companies may have entered the court with clean hands, but that subsequently they were soiled.

The memorandum urged the following points:

1. That the defendant Lucas' authorities on the "unclean hands" doctrine are generally inapplicable to the court's question. The companies' cause of action was their right to the impounded funds on the ground that the rates charged by them were legal. It cannot then seriously be contended that the al-

leged fraud in procuring the decree "goes to the cause of action." The companies are not seeking the fruits of the alleged fraudulent decree but are only asking for a determination of the merits of their original claim, the companies argue. Mr. Lucas seeks to establish knowledge on the part of the companies of Street's alleged conduct by the fact that such knowledge is alleged in his, Lucas's, motion to strike. The companies denied such knowledge. The mere allegation without proof cannot possibly establish this fact. One who relies on fraud to set aside a judgment has the burden of proving it by clear, distinct and certain proof. (The court upheld this view.)

Other Points Made

2. The companies questioned the authorities cited by Lucas on the power of the court to set aside its decree by motion, after the term.

3. The decree of Feb. 1, 1936, was not interlocutory, companies argue. The decree was final because it disposed of the controversy as to the division of the impounded funds.

Company attorneys indicated here Monday that they will file answer to the ouster suits filed with the supreme court by Roy A. McKittrick, attorney general.

A day ahead of the July 1 deadline, the companies had returned to W. T. Kemper, Jr., custodian of the federal court, the more than \$7,000,000 representing the companies' 80 per cent of the total impounded in the 16 2/3 percent case.

Interest at Meeting of General Agents

(CONTINUED FROM PAGE 5)

the Fire Underwriters Association of the Pacific. In the absence of K. S. Dargan, Dallas, his paper was read by E. C. Fox of Cravens, Dargan & Fox, San Francisco. A big hit was the talk of A. E. Roth, who gave a real insight into the San Francisco waterfront labor dispute. He is head of the San Francisco Employers Council.

Fred R. Lanagan of the Daly General Agency, Denver, made a forceful talk in accepting the presidency. He expressed satisfaction that the organization had voted against the proposal to change the name to American Association of Managing Underwriters, saying it is wiser to continue the efforts to cause the casualty companies to refrain from making indiscriminate general agency appointments.

Greeting from Brokers

Fred W. Boole instead of N. J. Birkholm brought a message from the Society of Insurance Brokers of San Francisco, as he just recently had been elected chairman of that body, succeeding Mr. Birkholm. D. B. Bowley, president Insurance Brokers Exchange of San Francisco, in bringing greetings from his organization, presented a flag to the general agents.

John J. Seibels, Columbia, S. C., reported for the committee on the address of L. B. Daniels, the retiring president.

F. J. Pelletier, one of the new vice-presidents, was introduced. Mr. Lanagan announced appointment of J. M. Bradfield of Jacksonville, Fla., as new chairman of the executive committee. According to precedent Mr. Bradfield will be elected president next year.

George Watson Honored

NEW LONDON, CONN. — More than 250 agents of U. S. Fidelity & Guaranty gathered here to honor George Watson of General Agents Morley, Watson & Baldwin in honor of his 35th anniversary. Agents turned in over \$100,000 of new premiums. Those from the home office were R. H. Bland, P. F. Lee, J. H. Bibby, H. F. Ogden, C. J. Fitzpatrick and F. A. Gantert.

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The advisability of writing product liability insurance in the same company which carries the general liability insurance was stressed by A. P. Lange, San Francisco, insurance manager of Hale Bros. Stores, Inc., before the Comptrollers Congress of the National Retail Dry Goods Association, San Francisco.

It is not always easy to do this, because product liability is a new line and certain companies and brokers are better equipped to serve the assured than others, by reason of study, experience and volume. However, combining the two coverages prevents overlapping, avoids gaps between the two contracts and also avoids the possibility of having one policy void the other because of some excess clause. Also, where two companies are involved, situations may arise where the carriers cannot agree as to the course to be pursued in defense and settlement of a claim.

An unfortunate situation at present, Mr. Lange pointed out, is that manufacturers and merchants handling goods of inferior quality are well aware of the product liability hazard and are anxious to carry insurance, while many high grade manufacturers and stores are not sold on this line. The result is that the

insurance companies are getting adverse selection and insufficient spread, while the assured is paying a higher premium and his market has been narrowed.

Product liability insurance is destined to become one of the most popular forms of coverage for retail merchants and department stores, in the opinion of R. L. Mannon, assistant chief underwriter Fireman's Fund Indemnity.

Mr. Mannon agreed with Mr. Lange in some of the criticisms and told how this form was the "orphan child" of the casualty insurance business.

Notes Adverse Selection

"In the past few years," he said, "this form of insurance was sold only to those who recognized that the product or service they sold was inherently dangerous, with high potentiality for claims. Because of this adverse selection the attitude of many underwriters today is that product liability insurance is an accommodation to be granted under the agency pressure mentioned by Mr. Lange, and company pressure on the other hand is exercised to evade at least the worst of these submissions.

"Now, however, the tables are turned; the new federal food and drug act, liberalization of interpretations of the uni-

form sales act and expansion of the doctrines of implied warranty and privity of contract, furnish more opportunities for substantiating product claims. Consequently, legislation may be said to have in another instance created a new insurance market and one whose potentialities are difficult to evaluate.

"The uncertainty of where the legal lightning may fall makes product liability insurance a necessity for all, and definitely ends the era when product liability was considered a luxury line for all except those directly manufacturing or handling inherently dangerous merchandise.

"Emphasis has been placed rightfully by Mr. Lange in that the product liability insurance should preferably be carried concurrently by and with the store's general liability insurer.

"The trend today in the property insurance field is toward more comprehensive coverage sometimes misnamed 'all risk coverage.' This trend is sound and its appeal has echoed in the casualty field as well. The comprehensive liability contract, in a crude form perhaps, but nevertheless filling your long felt want, is here. It is true that it is not generally available, nor is there any degree of standardization in its make-up. That, however, is natural for insurance is properly conservative. The proving ground for insurance is the preferred risk, and consequently experimental departure from basic forms must be tried and perfected with such risks before being made available to the average.

"The comprehensive liability policy, depending upon your individual needs,

could embrace such forms of insurance as: Owners, landlords and tenants; manufacturers and contractors, protective liability, elevator liability, teams liability, contractual liability, malpractice liability and product liability.

"Our present system of providing specific forms of coverage has been criticised by some of you as molds into which we endeavor to shape your business operations willy-nilly, and that the overlap provided by many of these forms unduly raises your insurance cost. Without arguing the merits of your criticisms, let me point out that the development of comprehensive liability protection would remove these two objections at once, for the policy would be individually tailored to your needs, providing automatic protection for newly created hazards and new locations; and, since each policy would represent a self-rating unit, would reward you by reduced premiums for good management, proper discrimination in the purchase of merchandise and other accident prevention effort."

Hail Damage Set at \$75,000

ALLIANCE, NEB.—Insurance companies estimate they will pay claims totaling \$75,000 for damage done in Alliance by last week's hailstorm.

Miss Kathryn Marie Jones of Eau Claire, Wis., and Paul E. Redemann, of Oshkosh, Wis., were married at Fond du Lac. Mr. Redemann is associated with his father in the Redemann & Co. agency at Oshkosh.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Michigan May Have School in Fall

LANSING, MICH.—Plans for an insurance school in the fall were considered at a meeting here of the governing committee of the Michigan Association of Insurance Agents. W. O. Hildebrand, secretary manager, suggested that the school be held in Lansing for four or five days. Cooperation of the companies and of the University of Michigan's school of business administration would be sought.

The governing committee also adopted the finance committee's report embodying a proposed constitutional change which will set up a new dues schedule based on the volume of business. While the present schedule follows this plan roughly the new schedule is designed to allocate expense of association activities on a more equitable basis. This amendment is to be presented for ratification at a general membership meeting called by President Martin Mullally in connection with Upper Peninsula Insurance Days, July 14-15 at Iron River. Consideration was given to changing the name of the governing committee to some more descriptive title.

Preliminary plans were laid for meeting the probable problems at the 1941 legislative session. Clyde B. Smith, Lansing, former president National Association, will continue to head the legislative and law committee but efforts will be made to organize the entire membership more thoroughly to combat inimical legislation. The new Indiana plan will be used as a pattern.

There was considerable discussion regarding making demands on the companies relative to appointment of representatives, either agents or solicitors, considered undesirable by the association.

Consultation by companies with organized agents on rate-making matters was urged. Unexpected rate changes have created many difficulties for agents. Had the companies consulted the agents, it was indicated, changes might have been better timed and better adapted to the prevailing conditions.

Alignment with the newly organized Michigan Retail Institute was also given rather favorable consideration and it is considered likely that Secretary-Manager Hildebrand will become a director of that organization representing property insurance agency forces. The institute is designed to combat influences unfavorable to retailers and other so-called "middle men" and to emphasize the genuine service given by the business men in these categories.

Tentative plans for the fall convention in Saginaw were taken up. It was suggested that a dramatization of the association's value to the average agent be worked up for presentation at that time. Prof. F. G. Dickinson of the University of Illinois, is being sought as a speaker.

Kroger Company Licensed

CINCINNATI, O.—The Kemba Mutual of Cincinnati has been incorporated and licensed in Ohio with assets of approximately \$300,000. The company was formed to insure the employees of the Kroger Grocery & Baking Company.

File Revised Licensing

MADISON, WIS.—An agents' qualification bill has been introduced in the legislature by the assembly committee on rules and referred to the committee on insurance and banking which sched-

uled a hearing for July 6. The bill relates to the agents and solicitors qualification and licensing act. The present law provides for a \$1 annual license fee for fire agents. The bill would require qualifications before licenses are issued at a cost of \$2 for agents, and \$1 for solicitors. The Wisconsin Association of Insurance Agents and other agents organizations are behind the measure.

The committee on insurance recommended for passage a bill to amend the insurance statutes relating to fees of mutual companies, to provide for levying gross premium taxes on domestic mutual fire and casualty companies, excepting only town mutual hereafter. The bill is supposed to raise \$450,000 to help balance the state budget and avoid a general sales tax, and has strong legislative support. The author and other proponents argued at committee hearing the larger domestic mutuals should pay the same taxes as do out of state mutuals and all stock companies. They use rates loaded for taxes that are not paid in Wisconsin but the policyholders in this state help pay taxes of their mutuals in other states, it was argued.

Turk-Somerville Change

The Turk-Somerville Company of Omaha, which was established in 1924, and has been general agent for the Implement Dealers Mutual Fire, Mill Owners Mutual of Iowa, Farmers Alliance, United Hardware & Implement Mutuals, Employers Mutual Casualty and Provident Life & Accident, has been taken over by the Employers Mutual Casualty of Des Moines. For 13 years it has been general agent for the Des Moines company. The Employers Mutual will continue the business as a branch office.

Paul Wright will act as general agent for Nebraska for the Implement Dealers Mutual of Grand Forks, N. D., United Hardware & Implement Mutual, and Iowa Hardware & Implement Mutuals. Mr. Wright has been associated with the Turk-Somerville agency for a number of years. He will act as general agent in Omaha only for the Mill Owners Mutual. Outstate agents will work direct from home office of the company. Agents of the Farmers Alliance will work direct from home office. Mr. Wright will be general agent for Nebraska for the Provident Life & Accident.

Employers Mutual assumes the Turk-Somerville lease and has purchased all office equipment and fixtures. It was reported that the sale was a straight cash transaction.

Extended Coverage Rate

CINCINNATI—The extended coverage rate for one and two family dwellings has been reduced from 18 cents to 14 cents according to an announcement received in Cincinnati this week. No change has been made in the mercantile or three family dwelling classifications. This puts the extended coverage rate below the tornado rate, which is 16 cents.

Hold Conference in Defiance, O

About 50 fire insurance men and others attended a Business Development and educational meeting at Defiance, O., under auspices of stock fire companies. M. F. Johnson, state agent Rhode Island, spoke on "How Vulnerable Are We?" and R. E. Metzger, Reliable, discussed automobile financing by local banks. A symposium on the extended coverage endorsement was conducted by Howard R. Underwood, Providence Washington, and D. E. Tanner, Commercial Union Assurance. Martin Vold,

Jr., Springfield, was in charge of the forum period. C. C. Ackerman, agent of Wauseon, presided.

Grand Rapids Outing

Members of the Grand Rapids Association of Insurance Agents and office employees held their annual picnic at the Green Ridge Country Club with than 160 persons participating.

The entertainment was planned by a committee headed by Lester Harrett, including L. J. McVoy, John Watkins, W. M. Burns, L. M. Lockley and H. W. Knoblauch. A program of varied athletic activities was scheduled, including a game of horse shoe tossing which provided fun.

Montgomery Heads Federation

BISMARCK, N. D.—H. W. Montgomery of Minot was elected president, succeeding Harold A. Boe, Grand Forks, and O. J. Trimble, Devils Lake, was reelected secretary-treasurer, at the annual convention of the Insurance Federation of North Dakota.

The meeting opened with a luncheon followed by an afternoon session. George Teeson, Alexandria, Minn., president Minnesota federation, and Clyde B. Helm, Minneapolis, secretary, spoke.

Named on the federation's executive committee were: D. W. Crabtree, Ellendale; S. D. Stow, Dickinson; S. E. Bickard, Fargo; W. A. Hart, Bismarck; Harold A. Boe, Grand Forks; H. W. Montgomery and O. J. Trimble. Vice-presidents will be appointed by the new president.

Akron Considers Mutual Cover

AKRON, O.—The board of education here is considering a resolution proposing to purchase \$10,148,000 in insurance from non-assessable mutual companies to cover all school buildings and contents. At present no insurance is being carried on fireproof buildings. Of the \$3,100,000 coverage on other buildings, 60 percent of the business is with stock companies, and 40 percent with mutuals. C. E. Slusser is chairman of the board's insurance committee.

Membership Must Act on Changes

The attorney general of Ohio has rendered an opinion to the division of insurance to the effect that mutual protective assessment associations organized under Section 9593 of the Ohio general code, may not provide for the alteration or amendment of their bylaws by their boards of directors without action by the membership of such associations.

Ohio Action on Auto Service

COLUMBUS, O.—Attorney-General Herbert has informed Superintendent Lloyd that the repair and towing service contracts issued by the League of American Motorists of Cleveland are insurance.

The head of a motor service at Youngstown, O., has been arrested charged with the violation of insurance laws in connection with contracts for automobile service. It is alleged that the concern charges \$8 for the contract with the further charge of 50 cents each time repairs, specified in the contract, are made. The court ordered the company to cease the practice.

Outing at Fond du Lac

More than 50 members of the Fond du Lac, Wis., board and agents in the county attended the annual outing and golf tournament at Takodah Spring country club. Also participating were women employees of the offices, members of the Fond du Lac Insurance Women. Viola Walter won the women's prize; K. R. Smith the golf trophy and George Dana attendance prize. City agents de-

feated county agents 5 to 4 in a softball game.

McKee Leaves Iowa Department

DES MOINES — Robert McKee, chief examiner of the Iowa insurance department, has resigned to become auditor of the state automobile insurance association. He has been with the insurance department for eight years, starting as field examiner. He was appointed chief examiner in 1937.

Commissioner Fischer has not yet named a successor.

Latest figures compiled by adjusters indicate that the loss to insurance companies in the recent Anoka, Minn., tornado will be under \$200,000. Total property loss on buildings and contents will exceed \$500,000 on which there was an average 40 percent coverage. It is estimated that 25 to 30 percent of the losses will be borne by mutuals.

SOUTH

W. T. Sweeney Cited Before Department

W. T. Sweeney of Sweeney & Co. of Louisville has been cited to appear before the Kentucky department July 6, to show cause why his license should not be revoked. The department wrote him stating that it had evidence that he was "guilty of incorrect underwriting of certain fire insurance in Louisville." Furthermore, the department objects to his circulating mimeographed copies of a letter that he wrote to the State Automobile Mutual regarding the claim of M. P. Hunt. Mr. Sweeney requested that as two distinct charges have been made against him for particulars and copies of the charges be given him. The department replied that the answer to the department's letter was not satisfactory and hence the citation for him to appear is made. Mr. Sweeney feels that the department is not acquainting him with the facts to which he is entitled.

To Study Refinery Rates

OKLAHOMA CITY—The state insurance board beginning July 10 will take up a study of fire rates on oil refineries, in addition to rates in general on fire hazards. This is a matter the board has had in consideration for some time but delayed on account of other more pressing activities. The study of fire rates will be the most thorough possible.

Tennessee B. D. Meetings Concluded by Saint

NASHVILLE—John D. Saint, manager Tennessee Association of Insurance Agents, has returned from Morristown, completing the first round of a series of Business Development conferences at Springfield, Union City, Jackson, Memphis, Nashville, Murfreesboro, Chattanooga, Knoxville and Johnson City.

At the meetings Mr. Saint criticized the payment of commissions to money-lending institutions to supplement interest charges. Such a practice is a breakdown in both banking and insurance practices, he said.

"Gradually incompetent agents are moving out of the picture. An enlightened public is awakening to the fact that good insurance, competently administered by informed, legitimate agents, costs no more than the 'sympathetic kind' which formerly was bought because the person making the solicitation was a good-fellow or in line of direct

ancestry with revered personages," Mr. Saint declared.

A second series of these conferences is scheduled for July as follows: Clarks-ville, July 10; Dyersburg, 11; Browns-ville, 12; Memphis, 13; Franklin, 14; Lewisburg, 17; Cleveland, 18; Marys-ville, 19; Elizabethton, 20; and Newport, 21. A third series will begin July 31 and continue through Aug. 11.

Florida School Convenes

HOLLYWOOD BEACH, FLA.—The Florida Insurance School is under full sail this week having started Wednesday with Dean L. P. McCord of Jacksonville at the helm, he being chairman of the educational committee and in charge of the faculty. O. M. Stallings of Tampa, president Florida Insurance Agents Association, is on hand as are other officers. Even on July 4 many of the students arrived for registration and there was an informal get together party Tuesday evening. The work is strenuous and there is but little time for recreation.

At the first session among other lec-

tures, Felix Hargrett of Washington, D. C., manager of the Washington service office of the Home of New York, took up in a comprehensive way the fire policy contract, forms and endorsements. He stated there is a demand for greater knowledge of the policy, which is the most fundamental thing in the fire insurance business and he pointed out ways and means of determining the needs of policyholders so as to conform the contract to these needs. He did not deal with the policy from a legal, historical standpoint but instead spoke in a very practical way so that the students could get a more comprehensive knowledge of what the policy contains.

Beaumont Exchange Elects

BEAUMONT, TEX.—Arthur Collier was elected president of the Beaumont Insurance Exchange by directors. Other new officers are: vice-president, Charles Weinbaum; treasurer, DeSales Brou-sard, and secretary, C. O. Wilson.

COAST

Los Angeles Exchange Shows Its Inner Workings

LOS ANGELES—At the last educational meeting of the Insurance Exchange of Los Angeles, 185 agents, brokers and company men were present. A symposium on liability insurance was conducted by Hugo Methmann, Fireman's Fund Indemnity; W. J. McKinnon, Great American Indemnity, and J. S. Dwight, local agent. They discussed owners, landlords and tenants, manufacturers and contractors and contingent liability.

An executive meeting of the exchange was scheduled, but President Harold McGee said that instead of inviting all but members of the exchange to leave, he was inviting all to remain and hear what went on. He spoke of the "guiding principles" of the California Association of Insurance Agents, which are part of the exchange's program, and referred to the cooperation given by the companies in clearing mixed agencies and eliminating part-time agents.

He then outlined what had been done in the organization of the Profit Motive Institute, giving the members and guests a complete picture of the progress already made and said that final announcement of the formation of the institute probably will be made in a few weeks. He also reviewed insurance legislation at the last session.

H. P. North, in charge of the recently opened B. D. O. office for the Pacific Coast, spoke briefly.

Portland, Ore., Outing

PORTLAND, ORE.—The Portland Insurance Exchange has declared a holiday July 20, when all hands will go for the afternoon and evening to Avalon Park. Mayor Carson has proclaimed that day "General Insurance Day." All insurance offices will be closed at noon. C. A. Mansfield, secretary of the exchange, is in charge and his aids are Ferry Smith, publicity; Nathan Lakefish, swimming and races; F. R. Brennan, prizes; J. K. Robinson, baseball; Mrs. Pauline R. McCarthy, dancing; J. H. Rankin, dinner; J. T. Goodman, refreshments. G. R. Merriam is master of ceremonies.

Exemption Measure Is Vetoed

Governor Olson has vetoed the bill passed by the legislature which would have exempted mortgage insurance companies from provisions of the insurance code requiring a company to maintain a resident agent in California to counter-sign all policies and receive the commission on them.

EAST

Thomas Elected in Pennsylvania

HARRISBURG, PA.—Directors of the Pennsylvania Association of Insurance Agents elected W. Ray Thomas, Pittsburgh, as vice-president, succeeding N. B. McCulloch, resigned. Mr. Thomas, president of Logue Brothers & Co., has been a state association director for several years and for two years chairman of the conference committee negotiating with companies concerning commissions and related subjects. He is also a director of the Pittsburgh Association of Insurance Agents.

Maine Mutuals Elect Jack

HALLOWELL, ME.—The Maine Association of Mutual Fire Companies at its annual meeting elected as president Louis A. Jack, secretary-treasurer Maine Mutual Fire of Lisbon Falls. Earl W. Davis, secretary Harrison Mutual Fire, was named vice-president, and A. L. T. Cummings, managing director York County Mutual of West Buxton,

was re-elected secretary-treasurer. Frank I. Cowan of Portland was elected to the executive committee.

Protests Against Mutual Attacks

BOSTON—Objections to the "propaganda campaign of the Service Men's Protective Association against the New England agency mutuals" is voiced in a circular letter sent out by President Frank L. Brigham of the Mutual Fire Insurance Association of New England, who is also vice-president of the Merrimack Mutual Fire. Mr. Brigham said that the Service Men's Protective Association was formed to protect both stock and mutual agents.

Officers and directors of the Service Men's association have voted to take steps to change the name of the organization to "Insurance Producers Associates."

Graduation Exercises at Albany

The Albany (N. Y.) Field Club held graduation exercises in that city Wednesday for the first class to complete the course at the school it has conducted for young people in insurance. There were 36 that completed the course. It was conducted weekly by Herman Grebert, manager of the Fire Companies Adjustment Bureau at Albany. G. H. Jamison, deputy insurance superintendent, presented the diplomas.

Following the death of F. W. Robinson, his interest in F. W. Robinson & Co., Cleveland, has been purchased by his partner, W. H. Levering. I. L. Van Horn has entered this agency as full partner.

CANADIAN

Band Chosen Head of Canada Body

TORONTO, CAN.—Business transacted at the annual meeting in St. Andrews-by-the-Sea, New Brunswick, of the Canadian Underwriters Association was purely routine in character and nothing of a contentious nature was raised. Regular meetings of the three branches of the association—fire, casualty and automobile—were held.

The election of officers resulted as follows: President, S. W. Band, Toronto; United States Fidelity & Guaranty; vice-president fire branch, R. L. Stalling, Sun, Toronto; casualty, D. K. MacDonald, London Assurance, Montreal; automo-

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Central Surety; National Casualty; Iowa Mutual;
Continental Casualty. Equipped for investigations
and settlement claims by experienced company ad-
justers.

NORTH DAKOTA

DULLAM & YOUNG

First Natl. Bank Bldg.
Bismarck, N. D.
Many companies represented.

NILLES, OEHLERT & NILLES

504 Black Bldg.
Fargo, N. D.
Continental Casualty Co., Standard Accident Insur-
ance Co., Home Indemnity Co., St. Paul Mercury
Indemnity, Insurance Co. of N. A. Represent Western
Adjustment and Inspection Co.
Equipped to handle investigations and adjustments in
southern North Dakota.

OHIO

MARSHALL, MELHORN DAVIES, WALL & BLOCH

1022 Spitzer Building
Toledo, Ohio

OKLAHOMA

Rittenhouse, Webster & Rittenhouse

6th Floor—1st National Bank Bldg.
Oklahoma City, Okla.
Specializing in defense fire, surety, casualty and
life companies.

CAMPBELL & BIDDISON

Suite 1302 National Bank of Tulsa
Tulsa, Okla.
Harry Campbell
Valjean Biddison
Harry Campbell, Jr.

OREGON

DAVID B. EVANS

220 Miner Bldg.
Eugene, Oregon
Representing: Aetna Group; American Auto; Har-
ford Accident; Maryland Casualty; Pacific Indem-
nity; Travelers; U. S. F. & G. and many others on
request. Equipped for investigations, defense of
insurance claims in state and federal courts.

HICKS & ADAMS

515 Pacific Building
Portland, Ore.
Equipped for investigations, adjustments, de-
fense trial work in State and Federal Courts
for this territory.

bile, A. C. Hall, Commercial Union, Montreal; vice-chairman fire branch, J. Victor Owen, Guardian Assurance, Montreal; casualty, J. B. Alexander, Canadian Surety, Toronto; automobile, Donald Taylor, London Guarantee & Accident, Toronto.

Toronto Institute Elects

TORONTO—At the annual meeting of the Insurance Institute of Toronto, Colin E. Sword, Union of Canton, was reelected president. Other officers are: Honorary president, F. S. McDermott, Liverpool & London & Globe; vice-presidents, J. B. Alexander, Canadian Surety; J. S. P. Armstrong, Dominion of Canada General, and J. Fanning, Employers Liability; secretary-treasurer, W. H. Burgess. The council is composed of H. S. Angas, Edwards & Angas; H. C. Baillie, Eagle Star; R. J. Bastedo, Phoenix of London; T. E. D. Boys, Canadian Underwriters Association; W. H. Buscombe, Shaw & Begg; W. C. Butler, Pearl; D. M. Dewar, Sun;

L. R. Freeman, Zurich; H. A. Joselin, New York Underwriters; S. McAdam, McAdam & Wagstaff; N. J. Ross, Union of Canton; H. R. Wiglesworth, Liverpool & London & Globe.

MARINE

Alkire with the Manhattan

Appointment of C. W. Alkire as inland and ocean marine general agent of the Manhattan Fire & Marine for Indiana has been announced. Mr. Alkire, recognized as one of the leading experts on inland marine operations in Indiana, offices in the Merchants Bank building, Indianapolis.

No Ocean Marine Changes

NEW YORK—While following closely developments in the European diplomatic situation, marine underwriters display no nervousness in the matter, nor has there been any change in war risk rates for shipments to continental or far eastern ports since the reduced figures were adopted June 9, and which, it is felt, are sufficient to cover present day hazards. In the event of an outbreak of hostilities the marine underwriters, through a special committee, can issue new rates and define underwriting conditions very promptly.

as the hospital authorities knew, capable of arranging for its removal. For his services he received \$1,000.

Healey's 25 Years

W. F. Healey, manager of the inland marine loss department of the Automobile of Hartford, is completing 25 years service with the Aetna Life organization. He joined the Aetna Casualty, July 1, 1914, as claim adjuster at the New York office and was transferred to the home office in 1920 to organize and manage the inland marine loss department for the Automobile. He was honored at a dinner given him by his associates and a gift was presented on their behalf by Vice-President E. J. Perrin, Jr.

The A. M. Schanke & Co. agency, Mason City, Ia., has been sold to Ivan A. Barnes.

Arranged for Radium Transfer

NEW YORK—A. L. Miller, life agent of Pittsburgh, was in charge of the removal of one-sixth of an ounce of radium from the old Memorial Hospital for Cancer & Allied Diseases, on West 106th street, to the institution's new building on East Sixty-eighth street, here, a distance of about four-and-a-half miles. The radium was valued at \$125,000, and he was the only man in the country, so far

PENNSYLVANIA

THORP, BOSTWICK, REED & ARMSTRONG

Grant Building
Pittsburgh, Pa.
Seaboard Surety Co., American Surety Co. (Pittsburgh office), U. S. Fidelity & Guaranty (some cases), others on request.
Investigations.

SOUTH CAROLINA

THOMAS-LUMPKIN & CAIN

1600-7 Central Union Building
Columbia, South Carolina
Specializing in Fire, Casualty, Surety and Life. Trial of all cases.
Equipped for investigations and adjustments all over South Carolina.

TEXAS

Patterson & Patterson

628-38 Littlefield Building
Austin, Texas
Defense of Insurance Companies in State and Federal courts appearing before all commissions.
Investigations and adjustments.

LAW OFFICES DALLAS C. BIGGERS

1718 Republic Bank Bldg.
Dallas, Tex.
Durward D. Mahon
Ralph D. Baker
Chandler Lloyd
Scott Clark
Investigations—Trial in all courts.

Cantey, Hanger & McMahon

15th Floor, Sinclair Bldg.
Fort Worth, Texas
Samuel B. Cantey
William A. Hanger
Mark McMahon
W. D. Smith
Samuel B. Cantey, Jr.
Alfred McKnight
Gillis A. Johnson
E. K. Hanger
Trial all Courts—Investigations

McGOWN, McGOWN, GODFREY & LOGAN

716-16 Petroleum Bldg.
Fort Worth, Tex.
Geo. Q. McGown
Henry T. McGown
Geo. Q. McGown, Jr.
Berl E. Godfrey
Harry L. Logan, Jr.
John M. Scott, Jr.

TERRELL, DAVIS, HALL & CLEMENS

South Texas Bank Bldg.
San Antonio, Tex.
Representing: Metropolitan Life; Bankers Life of Iowa; Royal Indemnity, London Guarantee & Accident; Globe. Others on request.

UTAH

IRVINE SKEEN & THURMAN

Suite 1501 Walker Bank Bldg.
Salt Lake City, Utah
Representing U. S. F. & G.
Others on Request.
Investigations, adjustments. Trial defense of Insurance Cases.

STEWART, STEWART & PARKINSON

1200 Continental Bank Building
Salt Lake City, Utah
Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

WASHINGTON

BAUSMAN, OLDHAM & JARVIS

1410 Hoge Bldg.
Seattle, Wash.
Representing: Globe Indemnity; Lloyds of Minneapolis; Bankers Indemnity. Equipped for investigations in this territory.

CALDWELL, LYCETTE & DIAMOND

and John N. Sylvester
2003 Exchange Bldg.
Seattle, Wash.
Representing: National Surety Corp.; Royal Indemnity; Eagle Indemnity; Globe Indemnity; St. Paul Mercury Indemnity; Standard Surety & Casualty; Accident & Casualty of Switzerland.

H. EARL DAVIS

381 Sherwood Building
Spokane, Washington
Representing the Columbia Cas., Ocean Acc. & Guarantee, Royal Indemnity, Eagle Indemnity, Great American Indemnity, American Surety, New York Casualty, U. S. Guarantee, Ohio Casualty Ins., Great Lakes Casualty, Connecticut Indemnity, St. Paul Mercury Indemnity.
Equipped to handle investigations and adjustments and all types of insurance trial work.

WISCONSIN

GRELLE & SCHLOTTHAUER

185 Monona Avenue
Madison, Wisconsin
Representing Lumbermen's Mutual Cas.; American Motorists; Zurich Fire; Zurich General Accid.; Grain Dealers Natl. Mut.; American Indemnity; and many others on request.
Adjustments and Investigations also carefully handled.

WOLFE & HART

First Wisconsin Nat. Bank Bldg.
Milwaukee, Wisconsin
Special attention to the Law of Fire Insurance

BOUCK, HILTON, KLUWIN & DEMPSEY

First National Bank Building
Oshkosh, Wisconsin
Employers Liability Assurance Co., Ltd., Fidelity & Casualty Co., Employers Mutuals, Wausau, Wis., and others on request. Fully equipped to investigate and adjust claims in Oshkosh and surrounding communities.



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LOS ANGELES
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Organized 1875



ACCIDENT AND CASUALTY INSURANCE COMPANY
OF WINTERTHUR, SWITZERLAND

111 JOHN STREET
NEW YORK

United States Branch

CONDENSED

STATEMENT

DECEMBER 31, 1938

ADMITTED ASSETS

U. S. Treasury Bonds	\$1,600,823.52
Other Bonds	1,206,532.48
Stocks	96,566.00
Other Assets	466,428.80
Total	\$3,370,350.80

Reserves:

LIABILITIES

Voluntary Contingency	\$ 224,299.34
Other Liabilities	646,051.46
Statutory Deposit with New York	\$ 850,000.00
Net Surplus over Deposit	1,650,000.00
Policy Holders' Surplus	2,500,000.00
Total	\$3,370,350.80

Bonds and Stocks owned are valued in accordance with requirements of New York State Insurance Department and National Association of Insurance Commissioners. Securities carried in above Statement at \$1,355,063.27 are deposited as required by law.



NEAL BASSETT, U. S. Manager
OGDEN DAVIDSON, U. S. Assistant Manager
CHARLES A. BARKIE, U. S. Assistant Manager
OWEN F. A. HIGGOTT, U. S. Branch Treasurer



JOHN PAUL JONES



JOHN PAUL JONES, the son of a gardener, was born at Arbigland, Scotland, on July 6th, 1747. As a sailor boy he made several voyages to these shores and in 1773 fell heir to property in Virginia and decided to make America his home. Illustrated above is a photograph of his American home at Fredericksburg, Virginia. He was the first to hoist the American flag on a man-of-war, and his exploits as an American naval officer, which reached their zenith in the battle between the Serapis and the Bon Homme Richard, proved him to be a fighter of dauntless courage.

Some historians have pictured him as a rough seafaring man possessing many of the characteristics of a buccaneer or pirate; but Miss Edes-Herbert, the daughter of a British agent in Paris, paints a very different picture of our great naval hero, whom she met at a salon of the Marchioness de Marsan. Here is her remarkable description:—"A man of about thirty-eight years, five feet seven inches tall, slender in build; of exquisitely symmetrical form, with a noticeably perfect development of limb. His features are delicately molded, of classical cast, clear cut, and when animated, mobile and expressive in the last degree, but when in repose, sedate almost to melancholy. His hair and eyebrows black and his eyes large, brilliant, piercing, and of

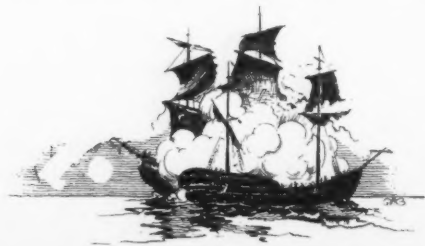
a peculiar dark-gray tint that at once changes to lustrous black when he becomes earnest or animated. His eyes are, in fact, his most remarkable feature, and are the first to attract the attention of those whose good or ill-fortune it may be to come in contact with him.

"His complexion is swarthy, almost like a Moor, doubtless due to having spent the best part of his life at sea on tropical voyages. He is a master of the arts of dress and personal adornment . . . His bearing is that of complete ease, perfect aplomb, and also martial to the last degree, but he has a supple grace of motion that relieves his presence of all suspicion of affectation.

"To all these charms of person he adds the power of conversation, a store of rare and original anecdotes . . . He speaks English, French and Spanish and has the most musical and perfectly modulated voice ever heard."

Thus did John Paul Jones appear to the fair sex of an enemy country. He died on July 18th, 1792, in Paris.

The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry



The HOME INSURANCE COMPANY
NEW YORK